

Gregorio Gomez, Mayor
Rosa Vasquez, Mayor Pro Tem
Paul Boyer, Council Member
Ruben Macareno, Council Member
Tina Hernandez, Council Member

Farmersville City Council Regular Meeting

Monday, January 13, 2020 6:00 PM
Meeting held in Civic Center Council Chambers
– 909 W. Visalia Road Farmersville, California

- 1. Call to Order:**
- 2. Roll Call:**
- 3. Invocation:**
- 4. Pledge of Allegiance:**
- 5. Public Comment:**

Provides an opportunity for members of the public to address the City Council on items of interest to the public within the Council's jurisdiction and which are not already on the agenda this evening. It is the policy of the Council not to answer questions impromptu. Concerns or complaints will be referred to the City Manager's office. Speakers should limit their comments to not more than two (2) minutes. No more than twenty (20) total minutes will be allowed for Public Comment. For items which are on the agenda this evening, members of the public will be provided an opportunity to address the council as each item is brought up for discussion. Comments are to be addressed to the Council as a body and not to any individual Council Member.

- 6. Presentations:**
 - A. Fiscal Year 2019 Financial Statements**
 - B. NHA Analysis for Sewer Fund Solar Project Financing Options**

7. Consent Agenda:

Under a CONSENT AGENDA category, a recommended course of action for each item is made. Any Council Member or Member of the Public may remove any item from the CONSENT AGENDA in order to discuss and/or change the recommended course of action, and the Council can approve the remainder of the CONSENT AGENDA.

A. Minutes of Regular City Council Meeting of December 23, 2019.

Recommend approval of minutes.

Documents: Draft Action Minutes of December 23, 2019.

B. Consideration of Warrant Register for December 2019

Recommend approval of Warrant Registers for December 2019.

Documents: December 2019 Warrant Register

- C. Authorize purchase of Street Right-of-Way from Jorge Gutierrez and Marta Adilia Aguirre in the amount of \$650 and approve Right of Way Agreement; and accept Grant Deed and authorize to execute Deed Certification.**

Recommend that the City Council:

- 1) Authorize the purchase of street right-of-way on Road 164 from Jorge Gutierrez and Marta Adilia Aguirre, located as shown on the attached map in the amount of \$650; and
- 2) Accept the attached Grant Deed for street right-of-way purposes from Jorge Gutierrez and Marta Adilia Aguirre, and authorize to execute and the City Clerk to attest and record said deed; and
- 3) Approve the attached Right of Way Agreement.

Documents: Grant Deed APN 111-202-040
Right of Way Agreement

- D. Authorize purchase of Street Right-of-Way from Jesus Soto, Jr. in the amount of \$49,000 and approve Right of Way Agreement; and accept Grant Deed and authorize to execute Deed Certification.**

Recommend that the City Council:

- 1) Authorize the purchase of street right-of-way on Farmersville Blvd from Jesus Soto, Jr., located as shown on the attached map in the amount of \$49,000; and
- 2) Accept the attached Grant Deed for street right-of-way purposes from Jesus Soto, Jr., and authorize to execute and the City Clerk to attest and record said deed; and
- 3) Approve the attached Right of Way Agreement

Documents: Grant Deed APNs 128-220-071, 128-230-034
Right of Way Agreement

- E. Resolution to Apply for HOME funding for a new construction multifamily rental project—Farmersville Village II**

Recommend that the City Council adopt Resolution 2020-002 authorizing the application to the State's Department of Housing and Community Development (HCD) under the HOME program for up to \$5.1 million in loan funding to provide project financing which will be used to construct Farmersville Village II.

Documents: Resolution 2020-002

8. General Business

A. Public Hearing: Final Grant Expenditures and Accomplishments for 14-CDBG-9900 Housing, Public Service, and Public Facility Improvement Activities

Recommend that the City Council authorize the City Manager to finalize and submit 14-CDBG-9900 grant closeout documents to California's Department of Housing and Community Development (HCD).

Documents: Closeout Certification Form
Request to Disencumber Funds Letter

B. Final Grant Expenditures and Accomplishments for 15-HOME-10895 Housing Programs

Recommend that the City Council authorize the City Manager to finalize and submit any remaining 15-HOME-10895 documentation and closeout the grant with the Department of Housing and Community Development (HCD).

C. Select a Nominee for the Alternate Transit Representative on the Tulare County Association of Governments Board

Recommend that the City Council vote and select a nominee for the vacant position.

D. Potential to amend standards for recycling facilities in the downtown Central Commercial Zone (CC zone)

Recommend that the City Council review this report concerning a potential amendment to standards for recycling businesses in the downtown area and provide direction to staff as appropriate.

E. Annual review and adoption of the City Investment Policy by Resolution

Recommend that the City Council approve Resolution 2020-001 adopting the Annual Statement of Investment Policy.

Documents:

- 1) City of Farmersville Investment Policy
- 2) Resolution 2020-001 Annual Statement of Investment Policy
- 3) Investment Policy & Resolution 2004-26

**F. Authorization for the City of Farmersville's Public Works Projects
Pre-Qualification for Contractors**

Recommend that the City Council authorize staff to advertise the City of Farmersville's Public Works Projects Pre-Qualification for Contractors.

Documents: Resolution 2016-014

9. Council Reports

A. City Council Updates and Committee Reports

10. Staff Communications:

11. Future Agenda Items

1. Review and adopt Master Fee Schedule – FY 2019/20
2. Development Impact Fee Study - FY 2019/20
3. Joint Meeting with Farmersville Unified School District – TBD
4. Discuss Groundwater Recharge Projects

12. Adjourn to Closed Session

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957(b)(1)

Title: City Attorney

13. Reconvene to Open Session:

14. Adjournment:

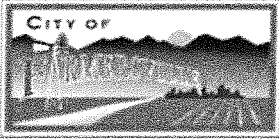
NOTICE TO PUBLIC

The City of Farmersville Civic Center and City Council Chambers comply with the provisions of the Americans with Disabilities Act (ADA). Anyone needing special assistance please contact City Hall at (559) 747-0458 please allow at least six (6) hours prior to the meeting so that staff may make arrangements to accommodate you.

Materials related to an item on this agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City's offices during normal business hours.

Drafted by: J. Gomez

Strong Roots.....Growing Possibilities



Gregorio Gomez, Mayor
Rosa Vasquez, Mayor Pro Tem
Paul Boyer, Council Member
Ruben Macareno, Council Member
Tina Hernandez, Council Member

Farmersville City Council Regular Meeting

Monday, December 23, 2019 6:00 PM
Meeting held in Civic Center Council Chambers
– 909 W. Visalia Road Farmersville, California

1. **Call to Order:** 6:02pm
2. **Roll Call:** Gomez, Vasquez, Boyer, Hernandez, Macareno (absent)
3. **Invocation:** Gomez
4. **Pledge of Allegiance:** Vasquez
5. **Public Comment:**

Alice Lopez resident of Farmersville, thanks Public Works, Police Dept., Fire Dept and Council for the Christmas Tree Lighting.

Provides an opportunity for members of the public to address the City Council on items of interest to the public within the Council's jurisdiction and which are not already on the agenda this evening. It is the policy of the Council not to answer questions impromptu. Concerns or complaints will be referred to the City Manager's office. Speakers should limit their comments to not more than two (2) minutes. No more than twenty (20) total minutes will be allowed for Public Comment. For items which are on the agenda this evening, members of the public will be provided an opportunity to address the council as each item is brought up for discussion. Comments are to be addressed to the Council as a body and not to any individual Council Member.

6. **Presentations:** none
7. **Consent Agenda:**

Under a CONSENT AGENDA category, a recommended course of action for each item is made. Any Council Member or Member of the Public may remove any item from the CONSENT AGENDA in order to discuss and/or change the recommended course of action, and the Council can approve the remainder of the CONSENT AGENDA.

A. Minutes of Regular City Council Meeting of December 9, 2019.

Recommend approval of minutes.

Documents: Draft Action Minutes of December 9, 2019.

B. Authorize to Bid the Deep Creek Restoration Project, Phase I

Recommend that the City Council authorize staff to advertise the City of Farmersville's Deep Creek Restoration Project, Phase I, for bidding purposes.

C. Declaration of property as surplus and disposition of the surplus property (vehicles)

Recommend that the City Council declare three Police Department vehicles and three Public Works vehicles as surplus and authorize staff to move forward with disposition of surplus property as listed.

Documents: Letter from the City of Woodlake

D. Authorize purchase of Street Right-of-Way from Michael and Cynthia Lampe and Michael and Diane Farley in the amount of \$4,600 and approve Right of Way Agreement; and accept Grant Deed and authorize to execute Deed Certification.

Recommend that the City Council:

- 1) Authorize the purchase of street right-of-way on Farmersville Blvd. from Michael and Cynthia Lampe and Michael and Diane Farley, located as shown on the attached map in the amount of \$4,600; and
- 2) Accept the attached Grant Deed for street right-of-way purposes from Michael and Cynthia Lampe and Michael and Diane Farley, and authorize to execute and the City Clerk to attest and record said deed; and
- 3) Approve the attached Right of Way Agreement.

Documents: Grant Deed APN 111-190-030
Right of Way Agreement

E. Authorize purchase of Street Right-of-Way from Thad Young and Sandra Young in the amount of \$11,600 and approve Right of Way Agreement; and accept Grant Deed and authorize to execute Deed Certification.

Recommend that the City Council:

- 1) Authorize the purchase of street right-of-way on Road 164 from Thad Young and Sandra Young, located as shown on the attached map in the amount of \$11,600; and
- 2) Accept the attached Grant Deed for street right-of-way purposes from Thad Young and Sandra Young, and authorize to execute and the City Clerk to attest and record said deed; and
- 3) Approve the attached Right of Way Agreement.

Documents: Grant Deed APN 111-203-001, 111-203-002
Right of Way Agreement

F. Authorize purchase of Street Right-of-Ways from T.S.T.R. Properties in the amount of \$18,600 for APNs 111-190-001 and APN 111-190-034; and accept Grant Deed, Easement Deed and authorize to execute Deed Certifications.

Recommend that the City Council:

- 1) Authorize the purchase of street right-of-ways on Farmersville Blvd. from T.S.T.R. Properties, located as shown on the attached map in the amount of \$18,600; and
- 2) Accept the attached Grant Deed and Easement Deed for street right-of-way purposes from T.S.T.R. Properties, and authorize to execute and the City Clerk to attest and record said deed; and
- 3) Approve the attached Right of Way Agreement.

Documents: Grant Deed APNs 111-190-001, 111-190-034
Easement Deed APN 111-190-001
Right of Way Agreement

G. Lease Agreement with Boys & Girls Clubs of the Sequoias

Recommend that the City Council authorize the City Manager to execute a lease agreement with Boys & Girls Club for 623 N. Avery Avenue.

Documents: Lease Agreement

Motion to approve items A,B,C,D,E,F,G with amended minutes from 12-9-2019 meeting

Result: Approved Mover: Councilmember Boyer Seconder: Councilmember Hernandez Ayes: Gomez, Vasquez, Boyer, Hernandez Noes: 0 Abstain: 0 Absent : Macareno

8. General Business

A. Zone Change 2019-04 (Self Help Enterprises)

Recommend that that the City Council waive the second reading and adopt Ordinance 497 approving a zone change from GC (General Commercial) to RM-2.5 (Multi Family Residential).

Documents: Ordinance 497

Councilmember Boyer recused himself due to a business conflict and left the council chambers for this agenda item.

Result: Approved
Mover: Councilmember Hernandez
Seconder: Mayor Pro Tem Vasquez
Ayes: Gomez, Vasquez, Hernandez
Noes: 0
Recused: Boyer
Absent : Macareno

B. Public Hearing: Adopt Interim Urgency Ordinance No. 498, an interim zoning/urgency ordinance of the City Council of the City of Farmersville, declaring a moratorium on the cultivation, processing, drying, storing, and manufacturing of industrial hemp as well as the non-incidental retail sale of products derived from industrial hemp.

Waive the reading and adopt Interim Urgency Ordinance 498, extending Interim Urgency Ordinance 496, declaring a moratorium on City approval or issuance of any permit, license, or entitlement relating to applications for the cultivation, processing, drying, storing, and manufacturing of industrial hemp as well as the non-incidental retail sale of products derived in any part from industrial hemp.

Documents: Ordinance 498

Mayor Gomez opened the Public Hearing at 6:11pm and with no comments given, closed the Public Hearing at 6:11pm

Result: Approved
Mover: Mayor Pro Tem Vasquez
Seconder: Mayor Gomez
Ayes: Gomez, Vasquez, Hernandez, Boyer
Noes: 0
Abstain: 0
Absent : Macareno

C. Adoption of Resolution to Initiate the Formation of the Assessment District 19-01 for Petunia Street Subdivision

Recommend that the City Council approves the formation of the Assessment District 19-01 and adopts Resolution 2019-062 that accepts the Engineer's Report for Petunia Street Landscape and Lighting District.

Documents: Resolution 2019-062

Lisa Wallis- Dutra gave report on the Petunia Street Subdivision.

Result: Approved Mover: Mayor Pro Tem Vasquez Seconder: Councilmember Hernandez Ayes: Gomez, Vasquez, Hernandez, Boyer Noes: 0 Abstain: 0 Absent : Macareno

9. Council Reports:

A. City Council Updates and Committee Reports: *None*

10. Staff Communications: *None*

11. Future Agenda Items

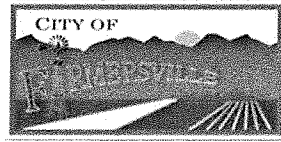
1. Review and adopt Master Fee Schedule – FY 2019/20
2. Development Impact Fee Study - FY 2019/20
3. Joint Meeting with Farmersville Unified School District – TBD
4. Discuss Groundwater Recharge Projects

12. Adjournment:

Mayor Gomez adjourned the meeting at 6:23pm

Respectfully submitted,

Rochelle Giovani
City Clerk



City Council

Staff Report Consent Item # 7B

TO: Honorable Mayor Gomez and City Council
FROM: Steve Huntley, Finance Director
DATE: January 13, 2020
SUBJECT: Warrant Register for December 2019

RECOMMENDED ACTION:

It is respectfully recommended that the City Council approve the Warrant Register as presented for the period This period represents warrants issued for the current Fiscal Year (2019/2020).

COORDINATION & REVIEW:

Preparation and presentation of the Warrant Register has been coordinated with the City Finance Department and City Manager's Office.

FISCAL IMPACT:

Each demand has been audited for accuracy and sufficiency of funds for payment. The current Warrant Registers total to \$595,248.94 inclusive of the following batches allowed for in the adopted FY 19/20 Budget:

GENERAL FUND WARRANTS	#131912-131990	\$427,057.49
GENERAL FUND WARRANTS	#131991-191994	16,754.36
GENERAL FUND WARRANTS	#131995	1,146.36
PAYROLL WARRANTS	#10530-10561	32,292.03
PAYROLL WARRANTS	#10562-10593	59,285.45
PAYROLL WARRANTS	#10594-10625	58,713.25
		<hr/> \$595,248.94

CONCLUSION:

It is respectfully recommended that the City Council approve the Warrant Register as presented for the period December 1, 2019 to December 31, 2019.

Attachment(s): Warrant Registers December 2019.

Respectfully Submitted By:

Steve Huntley, Director of Finance & Administration

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CITY OF FARMERSVILLE
A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 01
CHECK NO CHK DATE

1100
TYPE VENDOR NAME CASH (DUE TO/DUE FROM)
VOUCHER

INVOICE

INV DATE PO WARRANT

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P 1
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131913	12/18/2019	PRTD	633	CHARTER COMMUNICATIO	0039801120519	12/05/2019	2646	1,889.26
					0039793120519	12/05/2019	2646	652.26
					0048646112119	11/21/2019	2646	121.94
						CHECK	131913 TOTAL:	2,663.46
131914	12/18/2019	PRTD	750	LAMPE CHRYSLER DODGE	6099869/1	12/04/2019	2646	249.06
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131916	12/18/2019	PRTD	908	EWING	8700809	11/14/2019	2646	72.37
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					8635129	11/02/2019	2646	6.49
					8635130	11/02/2019	2646	36.42
						CHECK	131916 TOTAL:	150.53
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					391705539	11/20/2019	2646	55.00
						CHECK	131917 TOTAL:	137.00
131918	12/18/2019	PRTD	1024	VISALIA TIRE & WHEEL	98852B	11/18/2019	2646	228.56
						CHECK	131918 TOTAL:	228.56
131919	12/18/2019	PRTD	1025	SUPER TIRES	41585641	11/14/2019	2646	40.00
					41585640	11/14/2019	2646	50.00

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CITY OF FARMERSVILLE
A/P CASH DISBURSEMENTS JOURNAL

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131920	12/18/2019	PRTD	1080	ACME ROTARY BROOM SE	1082	11/01/2019	CHECK	131919	TOTAL:	90.00
							CHECK	2646		674.65
							CHECK	131920	TOTAL:	674.65
131921	12/18/2019	PRTD	1207	PROFESSIONAL PRINT &	101613	12/04/2019	CHECK	2646		2,497.29
					121619	12/16/2019	CHECK	2646		15,000.00
							CHECK	131921	TOTAL:	17,497.29
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					3711761810	11/08/2019	CHECK	2646		-18.00
					3711757277	10/31/2019	CHECK	2646		167.38
					3711757278	10/31/2019	CHECK	2646		-18.00
					3711761415	11/07/2019	CHECK	2646		54.29
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131923	12/18/2019	PRTD	1242	CALIFORNIA BUSINESS	240112	11/26/2019	CHECK	2646		279.20
							CHECK	131923	TOTAL:	279.20
131924	12/18/2019	PRTD	1276	CALIFORNIA TURF EQUI	431555	10/24/2019	CHECK	2646		72.37
							CHECK	131924	TOTAL:	72.37
131925	12/18/2019	PRTD	1364	O'REILLY AUTO PARTS	4734-304835	11/25/2019	CHECK	2646		19.00
					4734-305477	11/30/2019	CHECK	2646		10.85
							CHECK	131925	TOTAL:	29.85
131926	12/18/2019	PRTD	1367	THOMAS, JAMES	121619	12/16/2019	CHECK	2646		400.00
							CHECK	131926	TOTAL:	400.00

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131927	12/18/2019	PRTD	1378	MID VALLEY DISPOSAL	M-2020-5	12/16/2019	2646	39,202.16
						CHECK	131927 TOTAL:	39,202.16
131928	12/18/2019	PRTD	1421	SAEFONG, BRANDON	121619	12/16/2019	2646	50.00
						CHECK	131928 TOTAL:	50.00
131929	12/18/2019	PRTD	1456	FRANCHISE TAX BOARD	121319	12/13/2019	2646	120.00
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131930	12/18/2019	PRTD	1559	ASI ADMINISTRATIVE S	121019	12/10/2019	2646	225.72
						CHECK	131930 TOTAL:	225.72
131931	12/18/2019	PRTD	1559	ASI ADMINISTRATIVE S	120319	12/03/2019	2646	2,630.95
						CHECK	131931 TOTAL:	2,630.95
131932	12/18/2019	PRTD	1584	CURTIS	INV336416	11/18/2019	2646	694.10
						CHECK	131932 TOTAL:	694.10
131933	12/18/2019	PRTD	1598	CSET	12162019	12/16/2019	2646	7,904.82
						CHECK	131933 TOTAL:	7,904.82
131934	12/18/2019	PRTD	1603	DATALINK NETWORKS, I	27334	12/16/2019	2646	442.00
						CHECK	131934 TOTAL:	442.00
131935	12/18/2019	PRTD	1626	OFFICETEAM	54803572	11/26/2019	2646	1,124.00
					54843931	12/03/2019	2646	674.40
						CHECK	131935 TOTAL:	1,798.40
131936	12/18/2019	PRTD	1635	TULARE COUNTY LIBRAR	12162019	12/16/2019	2646	3,978.09

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CITY OF FARMERSVILLE
A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 01

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VOUCHER INVOICE

INV DATE PO WARRANT

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131937 12/18/2019 PRTD	1636 CRAWFORD & BOWEN PLA		CHECK	131936 TOTAL:	3,978.09
		389.1			
			04/16/2019	2646	2,660.00
			CHECK	131937 TOTAL:	2,660.00
131938 12/18/2019 PRTD	1645 CORE & MAIN LP				
		L435417	11/01/2019	2646	64.03
		L494613	11/07/2019	2646	927.67
		L512436	11/07/2019	2646	100.33
		L499783	11/21/2019	2646	225.03
		J276000	08/02/2018	2646	-422.81
			CHECK	131938 TOTAL:	894.25
131939 12/18/2019 PRTD	1661 GIOVANI, ROCHELLE				
		121619	12/16/2019	2646	124.12
		120219	12/16/2019	2646	218.00
			CHECK	131939 TOTAL:	342.12
131940 12/18/2019 PRTD	1695 SUPERIOR POOL PRODUC				
		Q2008255	11/05/2019	2646	650.68
			CHECK	131940 TOTAL:	650.68
131941 12/18/2019 PRTD	1708 NHA ADVISORS, LLC				
		00280	12/12/2019	2646	600.00
			CHECK	131941 TOTAL:	600.00
131942 12/18/2019 PRTD	1719 GHD INC.				
		131631	11/22/2019	2646	22,260.22
			CHECK	131942 TOTAL:	22,260.22
131943 12/18/2019 PRTD	1723 EXPRESS SERVICES INC				
		23312007	12/04/2019	2646	2,565.12
		23280355	11/27/2019	2646	4,168.32
		23234445	11/20/2019	2646	3,420.16
			CHECK	131943 TOTAL:	10,153.60

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131945	12/18/2019	PRTD	1770	DATA TICKET INC	106842	11/20/2019	2646	42.50
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131946	12/18/2019	PRTD	1810	TRANSUNION RISK & AL	49541-201911-1	12/01/2019	2646	75.00
		CHECK	131946	TOTAL:				75.00
131947	12/18/2019	PRTD	1845	GOPHER GETTER	793	11/04/2019	2646	2,975.00
					794	11/12/2019	2646	1,000.00
		CHECK	131947	TOTAL:				3,975.00
131948	12/18/2019	PRTD	1861	MEZA, FRANCISCO	111-202-041.1	12/13/2019	2646	163.51
		CHECK	131948	TOTAL:				163.51
131949	12/18/2019	PRTD	1863	ADVENTIST HEALTH TOX	1026	12/02/2019	2646	247.00
		CHECK	131949	TOTAL:				247.00
131950	12/18/2019	PRTD	2099	ASPHALT COATING & SU	8028	11/15/2019	2646	32.27
		CHECK	131950	TOTAL:				32.27
131951	12/18/2019	PRTD	3602	BILL WALL'S DIRECT A	16168	11/08/2019	2646	120.00
					16182	12/06/2019	2646	60.00
					16179	11/29/2019	2646	60.00
					16180	11/29/2019	2646	120.00
					16183	12/06/2019	2646	60.00
					16181	12/06/2019	2646	120.00

12/18/2019 12:20 CITY OF FARMERSVILLE
6175name A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 01 1100 CASH (DUE TO/DUE FROM)

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		CHECK	131951 TOTAL:	540.00		
131952	12/18/2019 PRD	4867 BOYS & GIRLS CLUB OF	121319	12/13/2019	2646	150.00
			12132019	12/13/2019	2646	4,958.34
		CHECK	131952 TOTAL:			5,108.34
131953	12/18/2019 PRD	7399 COOK'S COMMUNICATION	142320	09/30/2019	2646	255.11
			141643	08/01/2019	2646	62.50
			141642	08/01/2019	2646	4,069.82
		CHECK	131953 TOTAL:			4,387.43
131954	12/18/2019 PRD	8250 COLLINS & SCHOETTLER	12062019	12/06/2019	2646	3,084.54
		CHECK	131954 TOTAL:			3,084.54
131955	12/18/2019 PRD	8300 CITY OF FARMERSVILLE	1911	11/30/2019	2646	3,639.22
		CHECK	131955 TOTAL:			3,639.22
131956	12/18/2019 PRD	8399 CITY OF VISALIA	AR082351	12/01/2019	2646	6,155.42
		CHECK	131956 TOTAL:			6,155.42
131957	12/18/2019 PRD	9760 DELTA VECTOR CONTROL	DV10012-1219	12/13/2019	2646	140.31
		CHECK	131957 TOTAL:			140.31
131958	12/18/2019 PRD	9940 DEPARTMENT OF JUSTIC	418134	11/06/2019	2646	140.00
			420930	12/04/2019	2646	49.00
		CHECK	131958 TOTAL:			189.00
131959	12/18/2019 PRD	10525 EMPIRE SUPPLY CO., I	1912-221597	12/05/2019	2646	869.38
			1911-E20051	11/25/2019	2646	87.97
			1912-221598	12/05/2019	2646	183.81

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6175name

CITY OF FARMERSVILLE
A/P CASH DISBURSEMENTS JOURNAL

CASH ACCOUNT: 01

1100

CASH (DUE TO/DUE FROM)
CHECK NO CHK DATE TYPE VENDOR NAME VOUCHER

INVOICE

INV DATE PO WARRANT

NET

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CHECK		131959 TOTAL:		1,141.16
131960	12/18/2019 PRTD 10553 EXETER IRRIGATION &	15253	11/18/2019	2646
		15014	11/01/2019	2646
CHECK		131960 TOTAL:		32.32
131961	12/18/2019 PRTD 11900 EXETER MERCANTILE CO	1232538	11/24/2019	2646
		1228098	11/10/2019	2646
		1232735	12/10/2019	2646
		1232243	12/10/2019	2646
		1232244	12/10/2019	2646
		1228586	11/10/2019	2646
		1228452	11/10/2019	2646
CHECK		131961 TOTAL:		217.81
131962	12/18/2019 PRTD 12000 FARLEY LAW FIRM	112719	11/27/2019	2646
CHECK		131962 TOTAL:		14,663.82
131963	12/18/2019 PRTD 15200 FRESNO OXYGEN-BARNES	62474911	11/13/2019	2646
CHECK		131963 TOTAL:		34.65
131964	12/18/2019 PRTD 16599 GREAT VALLEY SUPPLY	12814	11/19/2019	2646
CHECK		131964 TOTAL:		256.82
131965	12/18/2019 PRTD 16603 GROSS & STEVENS INC	110778	12/02/2019	2646
		110871	12/02/2019	2646
		110880	12/06/2019	2646
		110790	12/02/2019	2646
CHECK		131965 TOTAL:		833.20
CHECK		131966 TOTAL:		392.45

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CITY OF FARMERSVILLE
A/P CASH DISBURSEMENTS JOURNAL

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CASH ACCOUNT: 01
CHECK NO CHK DATE

1100
TYPE VENDOR NAME CASH (DUE TO/DUE FROM)
VOUCHER

INVOICE

INV DATE PO

WARRANT

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										CHECK	131965 TOTAL:
131966	12/18/2019	PRTD	19002	HIGH SIERRA LUMBER C	30253320	11/10/2019	2646				1,856.76
										CHECK	131966 TOTAL:
											116.06
131967	12/18/2019	PRTD	22000	JACK GRIGGS, INC.	112638	11/30/2019	2646				1,048.47
										CHECK	131967 TOTAL:
											1,048.47
131968	12/18/2019	PRTD	22100	JENSEN & PILEGARD	30163	12/16/2019	2646				- .30
					411784	09/04/2019	2646				467.42
					416910	11/15/2019	2646				112.67
										CHECK	131968 TOTAL:
											579.79
131969	12/18/2019	PRTD	23725	KIWANIS OF FARMERSVI	112519	11/25/2019	2646				749.00
										CHECK	131969 TOTAL:
											749.00
131970	12/18/2019	PRTD	24100	LAWRENCE TRACTOR COM	378217	10/10/2019	2646				74.50
					380469	10/23/2019	2646				20.85
										CHECK	131970 TOTAL:
											95.35
131971	12/18/2019	PRTD	24200	LEAGUE OF CALIFORNIA	7806	08/08/2019	2646				75.00
										CHECK	131971 TOTAL:
											75.00
131972	12/18/2019	PRTD	30600	NATIONAL BUILDERS SU	73515	10/19/2019	2646				7.03
										CHECK	131972 TOTAL:
											7.03
131973	12/18/2019	PRTD	31560	OFFICE DEPOT	13216267	11/30/2019	2646				1,020.27
										CHECK	131973 TOTAL:
											1,020.27
131974	12/18/2019	PRTD	31570	TULARE COUNTY TAX CO	111-202-041	11/25/2019	2646				1,786.49

CASH ACCOUNT: 01 1100 CASH (DUE TO/DUE FROM)
CHECK NO CHK DATE TYPE VENDOR NAME VOUCHER INVOICE

INV DATE PO WARRANT

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CHECK		131974 TOTAL:	1,786.49
131975 12/18/2019 PRITD	34500 AT & T	1912	237.82
CHECK		131975 TOTAL:	237.82
131976 12/18/2019 PRITD	36695 PRICE PAIGE & COMPAN	16321	10,050.00
CHECK		131976 TOTAL:	10,050.00
131977 12/18/2019 PRITD	37000 QUAD KNOPF, INC.	101872	320.00
		101871	10,030.00
		101875	154.44
		101874	296.70
		101873	1,640.00
		101943	5,098.53
CHECK		131977 TOTAL:	17,539.67
131978 12/18/2019 PRITD	41000 SELF-HELP ENTERPRISE	FVLADM NOV-19	1,755.00
		FVLCHPI JUL-19	350.00
CHECK		131978 TOTAL:	2,105.00
131979 12/18/2019 PRITD	41705 SIGN TIME	71778	156.24
CHECK		131979 TOTAL:	156.24
131980 12/18/2019 PRITD	41754 SHRED-IT	8128736513	150.70
CHECK		131980 TOTAL:	150.70
131981 12/18/2019 PRITD	42000 SOUTHERN CALIFORNIA	1911	19,340.58
CHECK		131981 TOTAL:	19,340.58

CASH ACCOUNT: 01 1100 CASH (DUE TO/DUE FROM)
CHECK NO CHK DATE TYPE VENDOR NAME VOUCHER INVOICE

INV DATE PO WARRANT

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131982	12/18/2019	PRTD	43000	THE GAS COMPANY	1911	11/30/2019	2646	650.12
		CHECK	131982	TOTAL:				650.12
131983	12/18/2019	PRTD	43685	STEWART, DOUGLAS	121319	12/13/2019	2646	2,000.00
		CHECK	131983	TOTAL:				2,000.00
131984	12/18/2019	PRTD	43700	SUBURBAN PIPE & STEE	69296	10/16/2019	2646	278.41
		CHECK	131984	TOTAL:				278.41
131985	12/18/2019	PRTD	43760	SUN-GAZETTE	55294	11/12/2019	2646	38.50
		CHECK	131985	TOTAL:				38.50
131986	12/18/2019	PRTD	48350	UNITED SECURITY ALAR	112008-18257	12/16/2019	2646	223.50
		CHECK	131986	TOTAL:				223.50
131987	12/18/2019	PRTD	50500	VALLEY INDUSTRIAL &	389727	11/18/2019	2646	600.00
		CHECK	131987	TOTAL:				600.00
					390259	11/26/2019	2646	300.00
								900.00
131988	12/18/2019	PRTD	51550	VERIZON WIRELESS	9843539276	12/04/2019	2646	1,097.28
		CHECK	131988	TOTAL:				1,097.28
131989	12/18/2019	PRTD	51550	VERIZON WIRELESS	INV18363858	11/18/2019	2646	133.00
		CHECK	131989	TOTAL:				133.00
131990	12/18/2019	PRTD	52200	VOYAGER FLEET SYSTEM	869223818948	11/30/2019	2646	9,164.62
		CHECK	131990	TOTAL:				9,164.62

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CITY OF FARMERSVILLE
A/P CASH DISBURSEMENTS JOURNAL

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NUMBER OF CHECKS	79	*** CASH ACCOUNT TOTAL ***	427,057.49
	COUNT	AMOUNT	
	-----	-----	
TOTAL PRINTED CHECKS	79	427,057.49	
		*** GRAND TOTAL ***	427,057.49

COPY

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6175name INVOICE ENTRY PROOF LIST

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CLERK: 6175bash BATCH: 2646 NEW INVOICES
VENDOR REMIT NAME DOCUMENT INVOICE PO VOUCHER WARRANT NET AMOUNT EXCEEDS PO BY PO BALANCE CHK/WIRE ERR

APPROVED UNPAID INVOICES TO BE POSTED

543	00000	EXETER SMALL ENG	35463	111519	2646	27.10	.00	.00	27.10	1099:0
CASH 01	2020/06	INV 11/15/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC:REPAIR & MAINTENANCE SUPPLIES							
543	00000	EXETER SMALL ENG	35464	111419	2646	171.05	.00	.00	171.05	1099:0
CASH 01	2020/06	INV 11/14/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC:REPAIR & MAINTENANCE SUPPLIES							
633	00000	CHARTER COMMUNIC	35535	0039801120519	2646	1,889.26	.00	.00	1,889.26	1099:0
CASH 01	2020/06	INV 12/05/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC:SPECTRUM BUSINESS							
633	00000	CHARTER COMMUNIC	35536	0039793120519	2646	652.26	.00	.00	652.26	1099:0
CASH 01	2020/06	INV 12/05/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC:SPECTRUM BUSINESS VOICE							
633	00000	CHARTER COMMUNIC	35537	0048646112119	2646	121.94	.00	.00	121.94	1099:0
CASH 01	2020/06	INV 11/21/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC:SPECTRUM BUSINESS TV							
750	00000	LAMPE CHRYSLER D	35441	6099869/1	2646	249.06	.00	.00	249.06	1099:0
CASH 01	2020/06	INV 12/04/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC:REPAIRS & MAINT SERVICES							
819	00001	HAMNER & JEWELL	35439	190065	2646	8,241.47	.00	.00	8,241.47	1099:0
CASH 01	2020/06	INV 10/31/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC:FARMERSVILLE BLVD WIDENING PS&E							

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CITY OF FARMERSVILLE
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CLERK: 6175bash BATCH: 2646

NEW INVOICES

VENDOR REMIT NAME	DOCUMENT INVOICE	PO	VOUCHER	WARRANT	NET AMOUNT	EXCEEDS	PO BY	PO BALANCE	CHK/WIRE	ERR
908 00000 EWING	35469 8700809				72.37		.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/14/2019 DUE 12/16/2019	SEP-CHK: N DESC:REPAIR & MAINTENANCE SUPPLIES	DISC: .00		01425 5203			72.37	1099:
908 00000 EWING	35470 8635128				35.25		.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/02/2019 DUE 12/16/2019	SEP-CHK: N DESC:REPAIR & MAINTENANCE SUPPLIES	DISC: .00		35425 5203			35.25	1099:
908 00000 EWING	35471 8635129				6.49		.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/02/2019 DUE 12/16/2019	SEP-CHK: N DESC:REPAIR & MAINTENANCE SUPPLIES	DISC: .00		01425 5203			6.49	1099:
908 00000 EWING	35472 8635130				36.42		.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/02/2019 DUE 12/16/2019	SEP-CHK: N DESC:REPAIR & MAINTENANCE SUPPLIES	DISC: .00		22425 5203			36.42	1099:
990 00000 TERMINIX	35543 391818989				82.00		.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/25/2019 DUE 12/16/2019	SEP-CHK: N DESC:PEST CONTROL	DISC: .00		01406 5205			82.00	1099:
990 00000 TERMINIX	35544 391705539				55.00		.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/20/2019 DUE 12/16/2019	SEP-CHK: N DESC:PEST CONTROL	DISC: .00		39425 5205			55.00	1099:
1024 00000 VISALIA TIRE & W	35539 98852B				228.56		.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/18/2019 DUE 12/16/2019	SEP-CHK: N DESC:DISMOUNT & MOUNT TIRE	DISC: .00		01425 5205 02425 5205 04425 5205			76.19 76.19 76.18	1099:0 1099:0 1099:0
1025 00000 SUPER TIRES	35547 41585641				40.00		.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/14/2019 DUE 12/16/2019	SEP-CHK: N DESC:REP SUPPLIES	DISC: .00		01425 5203			40.00	1099:

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NEW INVOICES

VENDOR REMIT NAME	DOCUMENT INVOICE	PO	VOUCHER	WARRANT	NET AMOUNT	EXCEEDS	PO BY	PO BALANCE	CHK/WIRE	ERR
1025 00000 SUPER TIRES	35548 41585640				2646	50.00	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/14/2019 DUE 12/16/2019	SEP-CHK: N DESC:REP SUPPLIES	DISC: .00		01425 5203		50.00	1099:	
1080 00000 ACME ROTARY BROO	35501 1082				2646	674.65	.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/01/2019 DUE 12/16/2019	SEP-CHK: N DESC:SWEAPER BRUSH	DISC: .00		06425 5204		674.65	1099:0	
1207 00000 PROFESSIONAL PRI	35424 101613				2646	2,497.29	.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/04/2019 DUE 12/16/2019	SEP-CHK: N DESC:PRINTING INSERTS DECEMBER STATEMENTS	DISC: .00		06425 5205 06425 5205 01414 5205 06425 5205		733.81 733.81 738.09 291.58	1099: 1099: 1099: 1099:	
1207 00000 PROFESSIONAL PRI	35532 121619				2646	15,000.00	.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/16/2019 DUE 12/16/2019	SEP-CHK: N DESC:POSTAGE	DISC: .00		02425 5205 04425 5205 06425 5205		5,000.00 5,000.00 5,000.00	1099: 1099: 1099:	
1234 00000 AUTOZONE	35458 3711761807				2646	167.38	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/08/2019 DUE 12/16/2019	SEP-CHK: N DESC:REPAIR & MAINTENANCE SUPPLIES	DISC: .00		22425 5203		167.38	1099:	
1234 00000 AUTOZONE	35459 3711761810				2646	-18.00	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/08/2019 DUE 12/16/2019	SEP-CHK: N DESC:REPAIR & MAINTENANCE SUPPLIES	DISC: .00		22425 5203		-18.00	1099:	
1234 00000 AUTOZONE	35460 3711757277				2646	167.38	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 10/31/2019 DUE 12/16/2019	SEP-CHK: N DESC:REPAIR & MAINTENANCE SUPPLIES	DISC: .00		02425 5203		167.38	1099:	
1234 00000 AUTOZONE	35461 3711757278				2646	-18.00	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 10/31/2019 DUE 12/16/2019	SEP-CHK: N DESC:REPAIR & MAINTENANCE SUPPLIES	DISC: .00		02425 5203		-18.00	1099:	

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CLERK: 6175bash BATCH: 2646 NEW INVOICES

VENDOR REMIT NAME	DOCUMENT INVOICE	PO	VOUCHER	WARRANT	NET AMOUNT	EXCEEDS	PO BY	PO BALANCE	CHK/WIRE	ERR
1234 00000 AUTOZONE	35462 3711761415				2646	54.29	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/07/2019 DUE 12/16/2019	SEP-CHK: N DESC:REPAIR & MAINTENANCE SUPPLIES	DISC: .00		02425 5203 04425 5203		27.15 27.14	1099: 1099:	
1242 00001 CALIFORNIA BUSIN	35492 240112				2646	279.20	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/26/2019 DUE 12/16/2019	SEP-CHK: N DESC:MAINTENANCE BILLING	DISC: .00		01411 5205 01406 5205		139.60 139.60	1099: 1099:	
1276 00000 CALIFORNIA TURF	35486 431555				2646	72.37	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 10/24/2019 DUE 12/16/2019	SEP-CHK: N DESC:ROUNDABOUT	DISC: .00		22425 5203		72.37	1099:	
1364 00000 O'REILLY AUTO PA	35421 4734-304835				2646	19.00	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/25/2019 DUE 12/16/2019	SEP-CHK: N DESC:EXTREME TIRE & TIRE FOAM	DISC: .00		01420 5202		19.00	1099:	
1364 00000 O'REILLY AUTO PA	35422 4734-305477				2646	10.85	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/30/2019 DUE 12/16/2019	SEP-CHK: N DESC:GAL CAR WASH	DISC: .00		01420 5202		10.85	1099:	
1367 00000 THOMAS, JAMES	35527 121619				2646	400.00	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/16/2019 DUE 12/16/2019	SEP-CHK: N DESC:SHIFT COVERAGE	DISC: .00		01420 5205		400.00	1099:0	
1378 00000 MID VALLEY DISPO	35554 M-2020-5				2646	39,202.16	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/16/2019 DUE 12/16/2019	SEP-CHK: N DESC:NOVEMBER BILLING	DISC: .00		06425 5205 606425 4004 606425 4092 606425 4093 606425 4094		54,580.42 -3,661.49 -5,126.09 -2,929.19 -3,661.49	1099: 1099: 1099: 1099: 1099:	
1421 00000 SAEFONG, BRANDON	35526 121619				2646	50.00	.00	.00		W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/16/2019 DUE 12/16/2019	SEP-CHK: N DESC:OVERHEAD COVERAGE	DISC: .00		01420 5205		50.00	1099:0	

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VENDOR REMIT NAME	DOCUMENT INVOICE	PO	VOUCHER WARRANT	NET AMOUNT	EXCEEDS PO BY	PO BALANCE CHK/WIRE	ERR
1456 00000 FRANCHISE TAX BO	35528 121319			2646			
CASH 01	2020/06	INV 12/13/2019	SEP-CHK: N				
ACCT 1100	DEPT	DUE 12/16/2019	DESC:368883349165325852	120.00	01	2230	120.00 1099:
1559 00000 ASI ADMINISTRATI	35504 120319			2646			
CASH 01	2020/06	INV 12/03/2019	SEP-CHK: Y				
ACCT 1100	DEPT	DUE 12/16/2019	DESC:MEDICAL CHECK RUN	2,630.95	01	2233	120.00 1099:
1559 00000 ASI ADMINISTRATI	35505 121019			2646			
CASH 01	2020/06	INV 12/10/2019	SEP-CHK: Y				
ACCT 1100	DEPT	DUE 12/16/2019	DESC:MEDICAL CHECK RUN	225.72	01	2233	2,630.95 1099:
1584 00000 CURTIS	35485 INV336416			2646			
CASH 01	2020/06	INV 12/18/2019	SEP-CHK: N				
ACCT 1100	DEPT	DUE 12/16/2019	DESC:FOAM FOR UNITS	694.10	01	5202	225.72 1099:
1598 00000 CSEPT	35523 12162019			2646			
CASH 01	2020/06	INV 12/16/2019	SEP-CHK: N				
ACCT 1100	DEPT	DUE 12/16/2019	DESC:10/01/2019-10/31/2019	7,904.82	01	5205	694.10 1099:
1603 00000 DATA LINK NETWORK	35481 27334			2646			
CASH 01	2020/06	INV 12/16/2019	SEP-CHK: N				
ACCT 1100	DEPT	DUE 12/16/2019	DESC:EVAULT BACKUP	442.00	01	5205	7,904.82 1099:
1626 00000 OFFICETEAM	35431 54803572			2646			
CASH 01	2020/06	INV 11/26/2019	SEP-CHK: N				
ACCT 1100	DEPT	DUE 12/16/2019	DESC:TEMP HIRE A/R CLERK	1,124.00	01	5205	442.00 1099:
1626 00000 OFFICETEAM	35432 54843931			2646			
CASH 01	2020/06	INV 12/03/2019	SEP-CHK: N				
ACCT 1100	DEPT	DUE 12/16/2019	DESC:TEMP HIRE A/R CLERK	674.40	01	5205	1,124.00 1099:

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CLERK: 6175bash BATCH: 2646

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VENDOR REMIT NAME	DOCUMENT INVOICE	PO	VOUCHER WARRANT	NET AMOUNT	EXCEEDS PO BY	PO BALANCE CHK/WIRE	ERR
1635 00000 TULARE COUNTY LI	35522 12162019			2646	3,978.09	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/16/2019 DUE 12/16/2019	SEP-CHK: N DESC:10/01/2019-10/31/2019	DISC: .00	12400 5205 9900		3,978.09 1099:
1636 00000 CRAWFORD & BOWEN	35531 389.1			2646	2,660.00	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 04/16/2019 DUE 12/16/2019	SEP-CHK: N DESC:REISSUE CHECK #130949	DISC: .00	12400 5205 USRP		2,660.00 1099:
1645 00000 CORE & MAIN LP	35487 L435417			2646	64.03	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/01/2019 DUE 12/16/2019	SEP-CHK: N DESC:REP SUPPLIES	DISC: .00	02425 5203		64.03 1099:
1645 00000 CORE & MAIN LP	35488 L494613			2646	927.67	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/07/2019 DUE 12/16/2019	SEP-CHK: N DESC:REP SUPPLIES	DISC: .00	02425 5203		927.67 1099:
1645 00000 CORE & MAIN LP	35489 L512436			2646	100.33	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/07/2019 DUE 12/16/2019	SEP-CHK: N DESC:REP SUPPLIES	DISC: .00	02425 5203		100.33 1099:
1645 00000 CORE & MAIN LP	35490 L499783			2646	225.03	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/21/2019 DUE 12/16/2019	SEP-CHK: N DESC:REP SUPPLIES	DISC: .00	02425 5203		225.03 1099:
1645 00000 CORE & MAIN LP	35491 J276000			2646	-422.81	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 08/02/2018 DUE 08/02/2018	SEP-CHK: N DESC:CREDIT	DISC: .00	02425 5203		-422.81 1099:
1661 00000 GIOVANI, ROCHELL	35533 121619			2646	124.12	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/16/2019 DUE 12/16/2019	SEP-CHK: N DESC:LAW & ELECTION CLASS	DISC: .00	01404 5208		124.12 1099:

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CLERK: 6175bash BATCH: 2646 NEW INVOICES

VENDOR REMIT NAME	DOCUMENT INVOICE	PO	VOUCHER WARRANT	NET AMOUNT	EXCEEDS PO BY	PO BALANCE CHK/WIRE	ERR
1661 00000 GIOVANI, ROCHELL	35534 120219			2646	218.00	.00	W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/16/2019 DUE 12/16/2019	SEP-CHK: N DESC: LAW & ELECTIONS	DISC: .00	01404 5208	218.00	1099:
1695 00000 SUPERIOR POOL PR	35550 Q2008255			2646	650.68	.00	W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/05/2019 DUE 12/16/2019	SEP-CHK: N DESC: OPER SUPPLIES	DISC: .00	02425 5202	650.68	1099:
1708 00000 NHA ADVISORS, LT	35419 00280			2646	600.00	.00	W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/12/2019 DUE 12/16/2019	SEP-CHK: N DESC: USDA LOAN CDIAC ANNUAL DEBT REPORT	DISC: .00	04425 5205	600.00	1099:
1719 00000 GHD INC.	35452 131631			2646	22,260.22	.00	W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/22/2019 DUE 12/16/2019	SEP-CHK: N DESC: FARMERSVILLE BLVD WIDENING PS&E	DISC: .00	26425 5516 ENTRY	22,260.22	1099:
1723 00000 EXPRESS SERVICES	35465 23312007			2646	2,565.12	.00	W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/04/2019 DUE 12/16/2019	SEP-CHK: N DESC: PW TEMP HIRE	DISC: .00	01425 5205 02425 5205 04425 5205 06425 5205 21425 5205 35425 5205	427.52 427.52 427.52 427.52 427.52 427.52	1099: 1099: 1099: 1099: 1099: 1099:
1723 00000 EXPRESS SERVICES	35467 23280355			2646	4,168.32	.00	W9rcd
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/27/2019 DUE 12/16/2019	SEP-CHK: N DESC: PW TEMP HIRE	DISC: .00	01425 5205 02425 5205 04425 5205 06425 5205 21425 5205 35425 5205	694.72 694.72 694.72 694.72 694.72 694.72	1099: 1099: 1099: 1099: 1099: 1099:

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CLERK: 6175bash BATCH: 2646									
VENDOR REMIT NAME			DOCUMENT INVOICE	PO	VOUCHER	WARRANT	NET AMOUNT	EXCEEDS PO BY	PO BALANCE CHK/WIRE ERR
1723	00000	EXPRESS SERVICES	35468 23234445				2646	3,420.16	.00
CASH 01	2020/06	INV 11/20/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:PW TEMP HIRE						
								01425 5205	
								02425 5205	
								04425 5205	
								06425 5205	
								21425 5205	
								35425 5205	
1748	00000	CLARK BROS INC	35553 14				2646	185,659.96	.00
CASH 01	2020/06	INV 10/25/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:EXPANISON & UPGRADE PROJECT						
								04425 5516 WWTP	
								04 2245 WWTP	
1770	00000	DATA TICKET INC	35445 106842				2646	42.50	.00
CASH 01	2020/06	INV 11/20/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:OCTOBER 2019 CITATION PROCESSNG						
								01411 5205	
1810	00000	TRANSUNION RISK	35542 49541-201911-1				2646	75.00	.00
CASH 01	2020/06	INV 12/01/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:11/1/19-11/30/2019						
								01411 5205	
1845	00000	GOPHER GETTER	35446 793				2646	2,975.00	.00
CASH 01	2020/06	INV 11/04/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:PARK MAINTENANCE SERVICE						
								01425 5203	
1845	00000	GOPHER GETTER	35447 794				2646	1,000.00	.00
CASH 01	2020/06	INV 11/12/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:ARMSTRONG PARK GOPHER ERADICATION						
								01425 5203	
1861	00000	MEZA, FRANCISCO	35558 111-202-041.1				2646	163.51	.00
CASH 01	2020/06	INV 12/13/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:29050 RD 164						
								26425 5503 ENTRY	
								163.51	1099:

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CLERK: 6175bash BATCH: 2646

NEW INVOICES

VENDOR REMIT NAME	DOCUMENT INVOICE	PO	VOUCHER WARRANT	NET AMOUNT	EXCEEDS PO BY	PO BALANCE	CHK/WIRE	ERR
1863 00000 ADVENTIST HEALTH	35503 1026		2646	247.00	.00	.00	w9rcd	
CASH 01 2020/06 INV 12/02/2019 SEP-CHK: N DISC: .00	ACCT 1100 DEPT DUE 12/16/2019 DESC:PROFESSIONAL SERVICE			01411 5205			247.00	1099:
2099 00000 ASPHALT COATING	35502 8028		2646	32.27	.00	.00		
CASH 01 2020/06 INV 11/15/2019 SEP-CHK: N DISC: .00	ACCT 1100 DEPT DUE 12/16/2019 DESC:PAVL OF ASPHALT EMULSION			22425 5203			32.27	1099:
3602 00000 BILL WALL'S DIRE	35495 16168		2646	120.00	.00	.00		
CASH 01 2020/06 INV 11/08/2019 SEP-CHK: N DISC: .00	ACCT 1100 DEPT DUE 12/16/2019 DESC:PROFESSIONAL SERVICE			01425 5205 02425 5205 04425 5205			40.00 40.00 40.00	1099:0 1099:0 1099:0
3602 00000 BILL WALL'S DIRE	35496 16182		2646	60.00	.00	.00		
CASH 01 2020/06 INV 12/06/2019 SEP-CHK: N DISC: .00	ACCT 1100 DEPT DUE 12/16/2019 DESC:PROFESSIONAL SERVICE			01411 5205			60.00	1099:0
3602 00000 BILL WALL'S DIRE	35497 16179		2646	60.00	.00	.00		
CASH 01 2020/06 INV 11/29/2019 SEP-CHK: N DISC: .00	ACCT 1100 DEPT DUE 12/16/2019 DESC:PROFESSIONAL SERVICE			01411 5205			60.00	1099:0
3602 00000 BILL WALL'S DIRE	35498 16180		2646	120.00	.00	.00		
CASH 01 2020/06 INV 11/29/2019 SEP-CHK: N DISC: .00	ACCT 1100 DEPT DUE 12/16/2019 DESC:PROFESSIONAL SERVICE			01404 5205			120.00	1099:0
3602 00000 BILL WALL'S DIRE	35499 16183		2646	60.00	.00	.00		
CASH 01 2020/06 INV 12/06/2019 SEP-CHK: N DISC: .00	ACCT 1100 DEPT DUE 12/16/2019 DESC:PROFESSIONAL SERVICE			01406 5205			60.00	1099:0
3602 00000 BILL WALL'S DIRE	35500 16181		2646	120.00	.00	.00		
CASH 01 2020/06 INV 12/06/2019 SEP-CHK: N DISC: .00	ACCT 1100 DEPT DUE 12/16/2019 DESC:PROFESSIONAL SERVICE			01406 5205			120.00	1099:0

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CLERK: 6175bash BATCH: 2646				NEW INVOICES						
VENDOR REMIT NAME		DOCUMENT INVOICE	PO	VOUCHER	WARRANT	NET AMOUNT	EXCEEDS PO BY	PO BALANCE	CHK/WIRE	ERR

4867	00000 BOYS & GIRLS CLU	35530 121319			2646	150.00	.00	.00		
CASH 01	2020/06	INV 12/13/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC: ATTENDANT AT EVENT			01407 5205			150.00	1099:
4867	00000 BOYS & GIRLS CLU	35552 12132019			2646	4,958.34	.00	.00		
CASH 01	2020/06	INV 12/13/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC: 10/01/2019-10/31/2019			12400 5205 9900			4,958.34	1099:
7399	00000 COOK'S COMMUNICA	35475 142320			2646	255.11	.00	.00		
CASH 01	2020/06	INV 09/30/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC: EQUIPMENT			02425 5504 04425 5504 103425 5504 22425 5504 35425 5504			51.02 51.02 51.02 51.02 51.03	1099: 1099: 1099: 1099: 1099:
7399	00000 COOK'S COMMUNICA	35477 141643			2646	62.50	.00	.00		
CASH 01	2020/06	INV 08/01/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC: EQUIPMENT			02425 5504 04425 5504 103425 5504 22425 5504 35425 5504			12.50 12.50 12.50 12.50 12.50	1099: 1099: 1099: 1099: 1099:
7399	00000 COOK'S COMMUNICA	35478 141642			2646	4,069.82	.00	.00		
CASH 01	2020/06	INV 08/01/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC: EQUIPMENT			02425 5504 04425 5504 103425 5504 22425 5504 35425 5504			813.96 813.96 813.96 813.96 813.98	1099: 1099: 1099: 1099: 1099:
8250	00000 COLLINS & SCHOET	35555 12062019			2646	3,084.54	.00	.00		
CASH 01	2020/06	INV 12/06/2019	SEP-CHK: N	DISC: .00						
ACCT 1100	DEPT	DUE 12/16/2019	DESC: PLANNING CONSULTING			01414 5205			3,084.54	1099:

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CLERK: 6175bash BATCH: 2646 NEW INVOICES

VENDOR REMIT NAME	DOCUMENT INVOICE	PO	VOUCHER	WARRANT	NET AMOUNT	EXCEEDS	PO BY	PO BALANCE	CHK/WIRE	ERR
10525 00001 EMPIRE SUPPLY CO	35457 1912-221598				2646	183.81	.00	.00		
CASH 01	2020/06	INV 12/05/2019	SEP-CHK: N	DISC: .00		103404 5504			61.27	1099:
ACCT 1100	DEPT	DUE 12/16/2019	DESC: CITY HALL PHASE 4			02425 5504			61.27	1099:
						04425 5504			61.27	1099:
10553 00000 EXETER IRRIGATIO	35473 15253				2646	18.34	.00	.00		
CASH 01	2020/06	INV 11/18/2019	SEP-CHK: N	DISC: .00		01425 5203			18.34	1099:
ACCT 1100	DEPT	DUE 12/16/2019	DESC: REPAIR & MAINTENANCE SUPPLIES							
10553 00000 EXETER IRRIGATIO	35474 15014				2646	13.98	.00	.00		
CASH 01	2020/06	INV 11/01/2019	SEP-CHK: N	DISC: .00		01425 5203			13.98	1099:
ACCT 1100	DEPT	DUE 12/16/2019	DESC: REPAIR & MAINTENANCE SUPPLIES							
11900 00000 EXETER MERCANTIL	35515 1232538				2646	44.76	.00	.00		
CASH 01	2020/06	INV 11/24/2019	SEP-CHK: N	DISC: .00		02425 5504			14.92	1099:
ACCT 1100	DEPT	DUE 12/16/2019	DESC: PHASE 4			04425 5504			14.92	1099:
						103404 5504			14.92	1099:
11900 00000 EXETER MERCANTIL	35516 1228098				2646	67.86	.00	.00		
CASH 01	2020/06	INV 11/10/2019	SEP-CHK: N	DISC: .00		22425 5203			67.86	1099:
ACCT 1100	DEPT	DUE 12/16/2019	DESC: REP SUPPLIES							
11900 00000 EXETER MERCANTIL	35517 1232735				2646	15.07	.00	.00		
CASH 01	2020/06	INV 12/10/2019	SEP-CHK: N	DISC: .00		01425 5203			15.07	1099:
ACCT 1100	DEPT	DUE 12/16/2019	DESC: REP SUPPLIES							
11900 00000 EXETER MERCANTIL	35518 1232243				2646	45.15	.00	.00		
CASH 01	2020/06	INV 12/10/2019	SEP-CHK: N	DISC: .00		02425 5203			45.15	1099:
ACCT 1100	DEPT	DUE 12/16/2019	DESC: REP SUPPLIES							
11900 00000 EXETER MERCANTIL	35519 1232244				2646	-4.52	.00	.00		
CASH 01	2020/06	INV 12/10/2019	SEP-CHK: N	DISC: .00		02425 5203			-4.52	1099:
ACCT 1100	DEPT	DUE 12/16/2019	DESC: CREDIT							

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CLERK: 6175bash		BATCH: 2646		NEW INVOICES					
VENDOR REMIT NAME		DOCUMENT INVOICE		PO		VOUCHER WARRANT		NET AMOUNT	
								EXCEEDS PO BY	
								PO BALANCE CHK/WIRE	
								ERR	
11900	00000	EXETER MERCANTIL	35520			2646		13.98	.00
			1228586						.00
CASH 01	2020/06	INV 11/10/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:REP SUPPLIES		39425	5203		13.98	1099:
11900	00000	EXETER MERCANTIL	35521					35.51	.00
			1228452						.00
CASH 01	2020/06	INV 11/10/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:REP SUPPLIES		39425	5203		35.51	1099:
12000	00000	FARLEY LAW FIRM	35453					14,663.82	.00
			112719						.00
CASH 01	2020/06	INV 11/27/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:PROFESSIONAL & CONTRACTUAL SRV		01406	5205		14,663.82	1099:0
15200	00001	FRESNO OXYGEN-BA	35494					34.65	.00
			62474911						.00
CASH 01	2020/06	INV 11/13/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:REP SUPPLIES		01425	5203		6.93	1099:
					02425	5203		6.93	1099:
					04425	5203		6.93	1099:
					22425	5203		6.93	1099:
					35425	5203		6.93	1099:
16599	00000	GREAT VALLEY SUP	35438					256.82	.00
			12814						.00
CASH 01	2020/06	INV 11/19/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:REPAIR & MAINTENANCE SUPPLIES		02425	5203		85.60	1099:
					04425	5203		85.60	1099:
					22425	5203		85.62	1099:
16603	00000	GROSS & STEVENS	35448					95.00	.00
			110778						.00
CASH 01	2020/06	INV 12/02/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:REPAIRS & MAINT SERVICES		01411	5204		95.00	1099:
16603	00000	GROSS & STEVENS	35449					536.11	.00
			110871						.00
CASH 01	2020/06	INV 12/02/2019	SEP-CHK: N	DISC: .00					
ACCT 1100	DEPT	DUE 12/16/2019	DESC:REPAIRS & MAINT SERVICES		01411	5204		536.11	1099:

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CLERK: 6175bash		BATCH: 2646		NEW INVOICES					
VENDOR REMIT NAME		DOCUMENT INVOICE		PO		VOUCHER WARRANT		NET AMOUNT	
								EXCEEDS PO BY	
								PO BALANCE CHK/WIRE	
								ERR	
16603	00000	GROSS & STEVENS	35450 110880			2646	833.20	.00	.00
CASH 01	2020/06	INV 12/06/2019	SEP-CHK: N	DISC: .00			01411 5204		
ACCT 1100	DEPT	DUE 12/16/2019	DESC:REPAIRS & MAINT SERVICES						
16603	00000	GROSS & STEVENS	35451 110790			2646	392.45	.00	.00
CASH 01	2020/06	INV 12/02/2019	SEP-CHK: N	DISC: .00			01411 5204		
ACCT 1100	DEPT	DUE 12/16/2019	DESC:REPAIRS & MAINT SERVICES						
19002	00000	HIGH SIERRA LUMB	35440 30253320			2646	116.06	.00	.00
CASH 01	2020/06	INV 11/10/2019	SEP-CHK: N	DISC: .00			103404 5504		
ACCT 1100	DEPT	DUE 12/16/2019	DESC:CITY HALL PHASE 4				02425 5504		
							04425 5504		
22000	00000	JACK GRIGGS, INC	35444 112638			2646	1,048.47	.00	.00
CASH 01	2020/06	INV 11/30/2019	SEP-CHK: N	DISC: .00			04425 5202		
ACCT 1100	DEPT	DUE 12/16/2019	DESC:OPERATING SUPPLIES/REPAIR & MAINTENANCE				22425 5203		
22100	00000	JENSEN & PILEGAR	35434 30163			2646	-.30	.00	.00
CASH 01	2020/06	INV 12/16/2019	SEP-CHK: N	DISC: .00			22425 5203		
ACCT 1100	DEPT	DUE 12/16/2019	DESC:MOTOR STARTER						
22100	00000	JENSEN & PILEGAR	35435 411784			2646	467.42	.00	.00
CASH 01	2020/06	INV 09/04/2019	SEP-CHK: N	DISC: .00			22425 5203		
ACCT 1100	DEPT	DUE 12/16/2019	DESC:MOTOR STARTER						
22100	00000	JENSEN & PILEGAR	35436 416910			2646	112.67	.00	.00
CASH 01	2020/06	INV 11/15/2019	SEP-CHK: N	DISC: .00			22425 5203		
ACCT 1100	DEPT	DUE 12/16/2019	DESC:MOTOR STARTER						
23725	00001	KIWANIS OF FARM	35556 112519			2646	749.00	.00	.00
CASH 01	2020/06	INV 11/25/2019	SEP-CHK: N	DISC: .00			01407 5205		
ACCT 1100	DEPT	DUE 12/16/2019	DESC:RECREATION FUNDING-CHRISTMAS TREE LIGHTING						
							749.00		1099:

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CLERK: 6175bash BATCH: 2646

NEW INVOICES

VENDOR REMIT NAME	DOCUMENT INVOICE	PO	VOUCHER	WARRANT	NET AMOUNT	EXCEEDS	PO BY	PO BALANCE	CHK/WIRE	ERR
24100 00000 LAWRENCE TRACTOR	35442 378217				2646	74.50	.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 10/10/2019 DUE 12/16/2019	SEP-CHK: N DESC:REPAIR & MAINTENANCE SUPPLIES	DISC: .00		01425 5203		74.50	1099:	
24100 00000 LAWRENCE TRACTOR	35443 380469				2646	20.85	.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 10/23/2019 DUE 12/16/2019	SEP-CHK: N DESC:REPAIR & MAINTENANCE SUPPLIES	DISC: .00		01425 5203		20.85	1099:	
24200 00001 LEAGUE OF CALIFO	35529 7806				2646	75.00	.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 08/08/2019 DUE 12/16/2019	SEP-CHK: N DESC:DIVISION MEETING	DISC: .00		01401 5205		75.00	1099:	
30600 00000 NATIONAL BUILDER	35417 73515				2646	7.03	.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 10/19/2019 DUE 12/16/2019	SEP-CHK: N DESC:CITY HALL PHASE 4	DISC: .00		103404 5504 02425 5504 04425 5504		2.34 2.34 2.35	1099: 1099: 1099:	
31560 00001 OFFICE DEPOT	35514 13216267				2646	1,020.27	.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/30/2019 DUE 12/16/2019	SEP-CHK: N DESC:OFFICE SUPPLIES	DISC: .00		01406 5201 01411 5201		754.05 266.22	1099: 1099:	
31570 00001 TULARE COUNTY TA	35559 111-202-041				2646	1,786.49	.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/25/2019 DUE 12/16/2019	SEP-CHK: N DESC:29050 RD 164	DISC: .00		26425 5503 ENTRY		1,786.49	1099:	
34500 00001 AT & T	35511 1912				2646	237.82	.00	.00		
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/07/2019 DUE 12/16/2019	SEP-CHK: N DESC:PHONE	DISC: .00		01411 5211 01406 5211 01415 5211 35425 5211 21.38 04425 5211		75.16 88.91 30.99 21.38 21.38	1099: 1099: 1099: 1099: 1099:	

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NEW INVOICES

VENDOR REMIT NAME	DOCUMENT INVOICE	PO	VOUCHER WARRANT	NET AMOUNT	EXCEEDS PO BY	PO BALANCE CHK/WIRE ERR
36695 00000 PRICE PAIGE & CO	35423 16321		2646	10,050.00	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/30/2019 DUE 12/16/2019	SEP-CHK: N DESC: AUDIT FINANCIAL STATEMENTS & STREET REPORT	DISC: .00	01406 5205	10,050.00 1099:
37000 00001 QUAD KNOFF, INC.	35425 101872		2646	320.00	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/27/2019 DUE 12/16/2019	SEP-CHK: N DESC: CROSSWALK @TWO LOCATIONS ENGINEERING SERVICES	DISC: .00	22425 5516 XWALK	320.00 1099:
37000 00001 QUAD KNOFF, INC.	35426 101871		2646	10,030.00	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/27/2019 DUE 12/16/2019	SEP-CHK: N DESC: WEST WALNUT AVE RECONSTRUCTION	DISC: .00	27425 5516 WWLNT	10,030.00 1099:
37000 00001 QUAD KNOFF, INC.	35427 101875		2646	154.44	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/27/2019 DUE 12/16/2019	SEP-CHK: N DESC: SITE PLAN FOR 396 E FRONT	DISC: .00	01414 5205	154.44 1099:
37000 00001 QUAD KNOFF, INC.	35428 101874		2646	296.70	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/27/2019 DUE 12/16/2019	SEP-CHK: N DESC: WWT P ANNEXATION	DISC: .00	04425 5205	296.70 1099:
37000 00001 QUAD KNOFF, INC.	35429 101873		2646	1,640.00	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/27/2019 DUE 12/16/2019	SEP-CHK: N DESC: TRAFFIC ANALYSIS BETWEEN FRONT ST & VISALIA RD	DISC: .00	26425 5516 CBLVD	1,640.00 1099:
37000 00001 QUAD KNOFF, INC.	35430 101943		2646	5,098.53	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 12/09/2019 DUE 12/16/2019	SEP-CHK: N DESC: DEEP CREEK RESTORATION PLAN	DISC: .00	12400 5205 USRP	5,098.53 1099:
41000 00000 SELF-HELP ENTERP	35524 FVILDM NOV-19		2646	1,755.00	.00	.00
CASH 01 ACCT 1100	2020/06 DEPT	INV 11/01/2019 DUE 12/16/2019	SEP-CHK: N DESC: PORTFOLIO MANAGEMENT	DISC: .00	01414 5205	1,755.00 1099:

12/18/2019 11:39 CITY OF FARMERSVILLE
6175name INVOICE ENTRY PROOF LIST

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CLERK: 6175bash		BATCH: 2646		NEW INVOICES			
VENDOR REMIT NAME		DOCUMENT INVOICE		PO		VOUCHER WARRANT	
				NET AMOUNT		EXCEEDS PO BY	
						PO BALANCE CHK/WIRE	
						ERR	
41000	00000	SELF-HELP ENTERP	35525		2646	350.00	.00
		FVLCHPI JUL-19					.00
CASH 01	2020/06	INV 07/01/2019	SEP-CHK: N	DISC: .00		42404 5205	
ACCT 1100	DEPT	DUE 12/16/2019	DESC: GENERAL ADMIN				350.00 1099:
41705	00001	SIGN TIME			2646	156.24	.00
		35546					.00
		71778					.00
CASH 01	2020/06	INV 10/01/2019	SEP-CHK: N	DISC: .00		02425 5514	
ACCT 1100	DEPT	DUE 12/16/2019	DESC: DIGITAL PRINT DECALS			04425 5514	
						103425 5514	
						21425 5514	
						35425 5514	
41754	00001	SHRED-IT			2646	150.70	.00
		35551					.00
		8128736513					.00
CASH 01	2020/06	INV 12/07/2019	SEP-CHK: N	DISC: .00		01411 5205	
ACCT 1100	DEPT	DUE 12/16/2019	DESC: SHREDDING SERVICE				150.70 1099:
42000	00001	SOUTHERN CALIFOR			2646	19,340.58	.00
		35513					.00
		1911					.00
CASH 01	2020/06	INV 12/07/2019	SEP-CHK: N	DISC: .00		01420 5206	
ACCT 1100	DEPT	DUE 12/16/2019	DESC: ELECTRIC			01425 5206	
						21425 5206	
						02425 5206	
						04425 5206	
						01406 5206	
						35425 5206	
						39425 5206	
						39425 5206	
						CMCTR	
						CMCTR	
						973.71	1099:
						9.95	1099:
						9.95	1099:
43000	00001	THE GAS COMPANY			2646	650.12	.00
		35509					.00
		1911					.00
CASH 01	2020/06	INV 11/30/2019	SEP-CHK: N	DISC: .00		01425 5206	
ACCT 1100	DEPT	DUE 12/16/2019	DESC: GAS			01406 5206	
						39425 5206	
						CMCTR	
						CMCTR	
						107.97	1099:
						487.93	1099:
						54.22	1099:
43685	00000	STEWART, DOUGLAS			2646	2,000.00	.00
		35454					.00
		121319					.00
CASH 01	2020/06	INV 12/13/2019	SEP-CHK: N	DISC: .00		01420 5205	
ACCT 1100	DEPT	DUE 12/16/2019	DESC: STIPEND FOR VOLUNTEER FIRE CHIEF				2,000.00 1099:0

12/18/2019 11:39

CITY OF FARMERSVILLE
INVOICE ENTRY PROOF LIST

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apinvent

CLERK: 6175bash BATCH: 2646

NEW INVOICES

VENDOR REMIT NAME	DOCUMENT INVOICE	PO	VOUCHER WARRANT	NET AMOUNT	EXCEEDS PO BY	PO BALANCE CHK/WIRE	ERR
43700 00000 SUBURBAN PIPE &	35549 69296		2646	278.41	.00	.00	
CASH 01 2020/06 INV 10/16/2019 SEP-CHK: N DISC: .00							
ACCT 1100 DEPT DUE 12/16/2019 DESC:REP SUPPLIES				39425 5203		278.41	1099:
43760 00000 SUN-GAZETTE	35545 55294		2646	38.50	.00	.00	
CASH 01 2020/06 INV 11/12/2019 SEP-CHK: N DISC: .00							
ACCT 1100 DEPT DUE 12/16/2019 DESC:PUBLIC NOTICE				01414 5205		38.50	1099:
48350 00001 UNITED SECURITY	35541 112008-18257		2646	223.50	.00	.00	
CASH 01 2020/06 INV 12/16/2019 SEP-CHK: N DISC: .00							
ACCT 1100 DEPT DUE 12/16/2019 DESC:QUARTERLY MONITORING				01406 5205 39425 5205		111.75 111.75	1099: 1099:
50500 00000 VALLEY INDUSTRIA	35506 389727		2646	600.00	.00	.00	
CASH 01 2020/06 INV 11/18/2019 SEP-CHK: N DISC: .00							
ACCT 1100 DEPT DUE 12/16/2019 DESC:PROFESSIONAL SERVICE				01420 5205		600.00	1099:
50500 00000 VALLEY INDUSTRIA	35507 390259		2646	300.00	.00	.00	
CASH 01 2020/06 INV 11/26/2019 SEP-CHK: N DISC: .00							
ACCT 1100 DEPT DUE 12/16/2019 DESC:PROFESSIONAL SERVICE				01420 5205		300.00	1099:
51550 00001 VERIZON WIRELESS	35512 9843539276		2646	1,097.28	.00	.00	
CASH 01 2020/06 INV 12/04/2019 SEP-CHK: N DISC: .00							
ACCT 1100 DEPT DUE 12/16/2019 DESC:CELL PHONE				01411 5211 01415 5211 01420 5211 01406 5211 02425 5211 04425 5211 06425 5211		398.08 109.06 54.53 181.26 118.12 118.12 118.11	1099: 1099: 1099: 1099: 1099: 1099: 1099:
51550 00001 VERIZON WIRELESS	35538 INV18363858		2646	133.00	.00	.00	
CASH 01 2020/06 INV 11/18/2019 SEP-CHK: Y DISC: .00							
ACCT 1100 DEPT DUE 12/16/2019 DESC:MONTHLY SERVICE				01411 5205		133.00	1099:

12/18/2019 11:39 | CITY OF FARMERSVILLE
6175name | INVOICE ENTRY PROOF LIST

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| apinvent

CLERK: 6175bash BATCH: 2646 NEW INVOICES

VENDOR REMIT NAME DOCUMENT INVOICE PO VOUCHER WARRANT NET AMOUNT EXCEEDS PO BY PO BALANCE CHK/WIRE ERR

52200 00001 VOYAGER FLEET SY 35510 869223818948 2646 9,164.62 .00 .00

CASH 01 2020/06 INV 11/30/2019 SEP-CHK: N DISC: .00 01406 5255 63.36 1099:
ACCT 1100 DEPT DUE 12/16/2019 DESC:FUEL 01411 5255 5,266.49 1099:
01420 5255 1,107.65 1099:
01425 5255 272.83 1099:
02425 5255 409.89 1099:
04425 5255 954.05 1099:
21425 5255 136.30 1099:
35425 5255

133 APPROVED UNPAID INVOICES TOTAL 427,057.49

133 INVOICE(S) REPORT POST TOTAL 427,057.49

12/20/2019 12:56
6175name

CITY OF FARMERSVILLE
A/P CASH DISBURSEMENTS JOURNAL

COPY

P 1
apcsnhsb

CASH ACCOUNT: 01
CHECK NO CHK DATE TYPE VENDOR NAME CASH (DUE TO/DUE FROM) VOUCHER

INVOICE

INV DATE PO

WARRANT

NET

131991 12/20/2019 PRD 544 SIERRA DESIGNS, INC

9

12/19/2019

2647

5,454.15

CHECK 131991 TOTAL:

5,454.15

131992 12/20/2019 PRD 1874 SIERRA RANGE CONSTRU

19-5014

12/18/2019

2647

7,750.00

CHECK 131992 TOTAL:

7,750.00

131993 12/20/2019 PRD 25500 LUIS NURSERY

48067

12/18/2019

2647

3,448.00

CHECK 131993 TOTAL:

3,448.00

131994 12/20/2019 PRD 51700 VISALIA TOYOTA

C09228

03/05/2019

2647

102.21

CHECK 131994 TOTAL:

102.21

NUMBER OF CHECKS 4

*** CASH ACCOUNT TOTAL ***

16,754.36

TOTAL PRINTED CHECKS COUNT AMOUNT
4 16,754.36

*** GRAND TOTAL ***

16,754.36

CITY OF FARMERSVILLE



INVOICE ENTRY PROOF LIST

CLERK: 6175name BATCH: 2647

NEW INVOICES

VENDOR REMIT NAME DOCUMENT INVOICE

PO

VOUCHER WARRANT

NET AMOUNT

EXCEEDS PO BY

PO BALANCE CHK/WIRE ERR

APPROVED UNPAID INVOICES TO BE POSTED

544 00000 SIERRA DESIGNS, 35561

2647

5,454.15

.00

.00

CASH 01 2020/06 INV 12/19/2019

DEPT DUE 12/19/2019 SEP-CHK: N DISC: .00

DESC:GGRF-LANDSCAPE ARCHITECTURAL SERVICES

31425 5205 GGRF

5,454.15 1099:

1874 00000 SIERRA RANGE CON 35562

19-5014 2647

7,750.00

.00

.00

w9rcc

CASH 01 2020/06 INV 12/18/2019

DEPT DUE 12/19/2019 SEP-CHK: N DISC: .00

DESC:INSTALLATION OF TREES AT VARIOUS PARKS

31425 5205 GGRF

7,750.00 1099:

25500 00000 LUIS NURSERY 35560

48067 2647

3,448.00

.00

.00

CASH 01 2020/06 INV 12/18/2019

DEPT DUE 12/19/2019 SEP-CHK: N DISC: .00

DESC:VALLEY OAK & OKLAHOMA REDBUD

31425 5205 GGRF

3,448.00 1099:0

51700 00000 VISALIA TOYOTA 35563

C09228 2647

102.21

.00

.00

CASH 01 2020/06 INV 03/05/2019

DEPT DUE 12/19/2019 SEP-CHK: N DISC: .00

DESC:REP SERVICE

01406 5205

102.21 1099:

4 APPROVED UNPAID INVOICES

TOTAL

16,754.36

4 INVOICE(S)

REPORT POST TOTAL

16,754.36

12/23/2019 13:17
6175name

CITY OF FARMERSVILLE
A/P CASH DISBURSEMENTS JOURNAL

COPY

P 1
apcshdsb

CASH ACCOUNT: 01
CHECK NO CHK DATE

TYPE 1100
VENDOR NAME CASH (DUE TO/DUE FROM)
VOUCHER

INVOICE

INV DATE PO

WARRANT

NET

131995 12/23/2019 PRTD 1598 CSET

selfs-farme-02

12/23/2019

2651

1,146.36

CHECK 131995 TOTAL:

1,146.36

NUMBER OF CHECKS 1

*** CASH ACCOUNT TOTAL ***

1,146.36

TOTAL PRINTED CHECKS	COUNT	AMOUNT
1	1	1,146.36

*** GRAND TOTAL ***

1,146.36

12/23/2019 13:13
6175name

CITY OF FARMERSVILLE
INVOICE ENTRY PROOF LIST

COPY

P 1
apinvent

CLERK: 6175name BATCH: 2651

NEW INVOICES

VENDOR REMIT NAME

DOCUMENT
INVOICE

PO

VOUCHER WARRANT

NET AMOUNT

EXCEEDS PO BY

PO BALANCE CHK/WIRE ERR

APPROVED UNPAID INVOICES TO BE POSTED

1598 00000 CSET

35581
seifs-farme-02

2651

1,146.36

.00

.00

w9rcd

CASH 01
ACCT 1100

2020/06
DEPT

INV 12/23/2019
DUE 12/23/2019

SEP-CHK: N
DESC: GGRF-REPLACEMENT TREES

DISC: .00

31425 5205 GGRF

1,146.36

1099:

1 APPROVED UNPAID INVOICES

TOTAL

1,146.36

1 INVOICE(S)

REPORT POST TOTAL

1,146.36

12/03/2019 17:00
6175bash
WARRANT: 120619

CITY OF FARMERSVILLE
ADVICE REGISTER - SPECIAL
From: 12/06/2019 To: 12/06/2019

P 1
pradvreg

EMP #	NAME	CHK #	NET PAY
7		000010530	370.89
3		000010531	310.34
18		000010532	0.00
23		000010533	629.60
11		000010534	2,865.44
6		000010535	1,981.64
104		000010536	1,327.18
98		000010537	1,431.13
112		000010538	1,196.27
109		000010539	993.72
25		000010540	567.85
26		000010541	2,134.20
39		000010542	629.49
75		000010543	1,783.19
82		000010544	310.63
111		000010545	629.60
86		000010546	290.74
77		000010547	605.64
38		000010548	605.65
31		000010549	567.84
30		000010550	310.25
55		000010551	253.99
110		000010552	401.50
42		000010553	561.34
97		000010554	1,431.11
19		000010555	1,747.14
102		000010556	1,398.67
81		000010557	1,434.17
105		000010558	1,460.47
108		000010559	1,058.98
80		000010560	1,131.31
169		000010561	1,872.06
Total Deposits: 32			32,292.03

** END OF REPORT - Generated by Betina Ashoori **

12/11/2019 16:58
6175basha
WARRANT: 121319

CITY OF FARMERSVILLE
ADVANCE REGISTER - BI WEEKLY
From: 11/27/2019 To: 12/10/2019

P 1
pradvreg

EMP #	NAME	CHK #	NET PAY
7		000010562	1,141.00
3		000010563	1,010.65
18		000010564	1,850.12
23		000010565	2,382.67
11		000010566	3,509.00
6		000010567	2,172.94
104		000010568	1,794.66
98		000010569	1,862.89
112		000010570	1,437.17
109		000010571	1,133.19
25		000010572	2,200.53
26		000010573	2,306.29
39		000010574	1,539.99
75		000010575	2,025.13
82		000010576	977.11
111		000010577	1,186.09
86		000010578	2,885.46
77		000010579	1,775.74
38		000010580	1,603.81
31		000010581	1,862.24
30		000010582	1,420.91
55		000010583	3,641.04
110		000010584	1,292.97
42		000010585	4,027.73
97		000010586	1,570.24
19		000010587	1,785.33
102		000010588	1,305.73
81		000010589	1,411.99
105		000010590	1,508.08
108		000010591	1,268.40
80		000010592	1,422.53
169		000010593	1,973.82
Total Deposits: 32			59,285.45

** END OF REPORT - Generated by Betina Ashoori **

12/23/2019 17:22
6175dash
WARRANT: 122719

CITY OF FARMERSVILLE
ADVICE REGISTER - BI WEEKLY
From: 12/11/2019 To: 12/24/2019

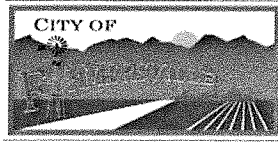
P
pradvreg 1

EMP #	NAME	CHK #	NET PAY
7		000010594	1,160.94
3		000010595	987.92
18		000010596	1,850.12
23		000010597	1,435.20
11		000010598	3,508.99
6		000010599	2,148.91
104		000010600	1,248.85
98		000010601	1,816.91
112		000010602	1,370.62
109		000010603	1,134.19
25		000010604	2,102.72
26		000010605	3,117.60
39		000010606	1,661.68
75		000010607	1,928.95
82		000010608	977.11
111		000010609	1,111.91
86		000010610	2,969.99
77		000010611	1,673.23
38		000010612	1,832.09
31		000010613	1,862.24
30		000010614	1,398.23
55		000010615	3,641.03
110		000010616	1,274.92
42		000010617	3,949.50
97		000010618	1,755.61
19		000010619	1,761.71
102		000010620	1,726.49
81		000010621	1,412.01
105		000010622	1,450.82
108		000010623	1,098.41
80		000010624	1,370.53
169		000010625	1,973.82

Total Deposits: 32

58,713.25

** END OF REPORT - Generated by Betina Ashoori **



City Council

Staff Report 7C

TO: Honorable Mayor and City Council

FROM: Jennifer Gomez, City Manager

DATE: January 13, 2020

SUBJECT: Authorize purchase of Street Right-of-Way from Jorge Gutierrez and Marta Adilia Aguirre in the amount of \$650 and approve Right of Way Agreement; and accept Grant Deed and authorize to execute Deed Certification.

RECOMMENDED ACTION:

Recommend that the City Council:

- 1) Authorize the purchase of street right-of-way on Road 164 from Jorge Gutierrez and Marta Adilia Aguirre, located as shown on the attached map in the amount of \$650; and
- 2) Accept the attached Grant Deed for street right-of-way purposes from Jorge Gutierrez and Marta Adilia Aguirre, and authorize to execute and the City Clerk to attest and record said deed; and
- 3) Approve the attached Right of Way Agreement.

BACKGROUND and DISCUSSION:

As part of the North Farmersville Boulevard Widening Project there are twenty-three properties that are being impacted, therefore the City is required to acquire the street right-of-ways necessary for the project.

The partial acquisition of the frontage of this property was appraised by Hopper Company and valued at \$450.00. Negotiations for additional compensation were agreed upon through an administrative settlement and now requires formal action by the City Council to approve the total amount of \$650.00.

FISCAL IMPACT:

A budget for right-of-way acquisition was included in the cost of the project which is being funded by Measure R.

ATTACHMENT(S):

Grant Deed APN 111-202-040
Right of Way Agreement

ASSESSOR PARCEL NO.: 111-202-040
PROJECT: City of Farmersville / N. Farmersville Blvd. Widening
OWNER: Jorge Gutierrez and Marta Adilia Aguirre, husband and wife

RIGHT OF WAY AGREEMENT

THIS AGREEMENT is made and entered into by and between

Jorge Gutierrez and Marta Adilia Aguirre, husband and wife as joint tenants (hereinafter called "Grantor"), and

The City of Farmersville, a municipal corporation (hereinafter called "City").

An instrument in the form of a Grant Deed ("Deed") covering the property particularly described therein ("Property"), has been executed concurrently with this Agreement and delivered to City representatives.

In consideration of which, and other considerations hereinafter set forth, it is mutually agreed as follows:

1. The parties have herein set forth the whole of their agreement. The performance of this Agreement constitutes the entire consideration for said document and shall relieve the City of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed public improvement, except as stated in Paragraphs 2.E. and 2.F. below.

2. The City shall:

A. PAYMENT - Pay to the order of the Grantor the sum of \$650 as consideration in full for the Property, for the loss, replacement and moving of any improvements, and for entering into this Agreement. Said sum shall be paid when title to the Property has vested in City free and clear of all liens, encumbrances, assessments, easements and leases recorded or unrecorded, except for recorded public utility easements and public right of way.

B. RECORDATION OF INSTRUMENT - Accept the Deed and cause the same to be recorded in the office of the Tulare County Recorder at such time as when clear title can be conveyed.

C. MISCELLANEOUS COSTS - Pay any escrow, title insurance, and recording fees incurred in this transaction.

D. CLEARANCE OF BONDS, ASSESSMENTS, OR DELINQUENT TAXES - Have the authority to deduct and pay from the amount shown in Clause 2.A. above any amount necessary to satisfy any bond demands and delinquent taxes due in any year except the year in which the Deed records, together with penalties and interest thereon, and/or delinquent and unpaid non-delinquent assessments which have become a lien as of the date of recordation of the Grant Deed.

E. CONSTRUCTION AND RESTORATION – Shall, upon completion of construction, generally restore Grantor's remaining real property to a comparable or better condition than that which existed prior to City's project construction, to the extent reasonably practical, except vegetation.

F. DRIVEWAY ENCROACHMENT – At no expense to the Grantor, and at the time of roadway construction, the City or its authorized agent will reconstruct any impacted existing driveway approaches. It is understood and agreed that upon completion of said construction, said driveway approaches shall be considered as encroachments under a revocable permit upon the City road, and they are to be maintained, repaired, and operated as such by Grantor in accordance with and subject to pertinent County and State law, and the City's standard encroachment permit provisions.

G. INDEMNIFICATION - Indemnify and hold harmless Grantor from any and all claims, damages, costs, judgments, or liability proximately caused by City or its officers, employees, or agents specifically arising from City construction and restoration work on the Property.

3. The Grantor:

A. PAYMENT ON MORTGAGE OR DEED OF TRUST - Agrees that any or all monies payable under this Agreement up to and including the total amount of the unpaid principal and interest on the note(s) secured by mortgage(s) or deed(s) of trust, if any, and all other amounts due and payable in accordance with the terms and conditions of said mortgage(s) or deed(s) of trust, shall upon demand(s) be made payable to the mortgagee(s) or beneficiary(s) entitled thereunder. Grantor shall cooperate with the Escrow Officer in obtaining lien clearance documents from any and all creditors holding liens against the Property.

B. LEASE INDEMNIFICATION - Warrants there are no oral or written leases on all or any portion of the Property, or if there are such leases, Grantor agrees to hold the City harmless and reimburse City for any and all of its losses and expenses occasioned by reason of any lease of said Property held by tenant of Grantor.

C. PERMISSION TO ENTER - Hereby grants to the City, its agents and contractors, permission to enter the Property prior to the close of escrow for the purposes of preparation for the construction of the City's facilities, subject to all applicable terms and conditions contained in this Agreement and the associated Deed.

D. TITLE INDEMNITY AND WARRANTY - In consideration of the City waiving the requirements to clear any defects and imperfections in all matters of record title, the Grantor indemnifies and holds the City harmless from any and all claims that other parties may make or assert on the title to the Property. Grantor's obligation to indemnify the City shall not exceed the amount paid to the Grantor under this Agreement. Grantor hereby represents and warrants that

he/she/they are the sole vested owners of the Property, holding all ownership and possessory rights, and are the authorized signatories to grant the rights referenced in this Agreement without conflict or claims from other parties.

E. HAZARDOUS SUBSTANCES - Represents and warrants, to the best of Grantor's knowledge, and after reasonable inquiry, the following:

During Grantor's ownership of the Property, Grantor knows of no disposal, releases, or threatened releases of hazardous substances on, from, or under the Property or Grantor's remaining adjacent property. Grantor further represents and warrants that Grantor has no knowledge of disposal, release, or threatened release of hazardous substances on, from, or under the Property, or Grantor's remaining adjacent property, which may have occurred prior to Grantor's ownership.

There is no pending claim, lawsuit, agency proceeding, or any administrative challenge concerning the presence or use of hazardous substances on or within the Property or Grantor's remaining adjacent property.

Grantor has not used the Property, or Grantor's remaining adjacent property, for any industrial operations that use hazardous substances. Grantor is not aware of any prior use of such property. Grantor has not installed any underground storage tanks, above ground storage tanks, barrels, sumps, impoundments or other containers used to contain hazardous substances on any part of the Property or Grantor's remaining adjacent property. Grantors are not aware of any such prior installations. The purchase price of the Property being acquired reflects the fair market value of the Property without the presence of contamination. If the Property is found to be contaminated by the presence of hazardous substances which require mitigation under Federal or State law, City may elect to recover its cleanup costs from those who caused or contributed to the contamination.

4. The Parties agree:

A. ESCROW - At City's option, to open an escrow in accordance with this Agreement at an escrow company of City's choice. Opening an escrow shall be at City's sole discretion and City may decide to process this transaction without the use of an escrow agent. However, if an escrow agent is utilized, this Agreement constitutes the joint escrow instructions of City and Grantor, and the escrow agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts necessary to close this escrow in the shortest possible time.

If an escrow is utilized, as soon as possible after opening of escrow, City will deposit the executed Deed by Grantor, with Certificate of Acceptance attached, with the escrow agent on Grantor's behalf. City agrees to deposit the purchase price upon demand of escrow agent. City and Grantor agree to deposit with escrow agent all additional instruments as may be necessary to complete this transaction. All funds received in this escrow shall be deposited with other escrow funds in a general escrow fund account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check or wire transfer from such account.

Any taxes which have been paid by Grantor, prior to opening of this escrow, shall not be pro-rated between City and Grantor, but Grantor shall have the sole right after close of escrow, to apply to the County Tax Collector of said County for any refund of such taxes which may be due Grantor for the period after City's acquisition.

- i) ESCROW AGENT DIRECTIVES - Escrow Agent is authorized to, and shall:
 - a) Pay and charge Grantor for any unpaid delinquent taxes and/or any penalties and interest thereon, and for any delinquent assessments or bonds against that portion of Grantor's property subject to this transaction as required to convey clear title.
 - b) Pay and charge City for any escrow fees, charges and costs payable under Paragraph 2.C. of this Agreement;
 - c) Disburse funds and deliver Deed when conditions of this escrow have been fulfilled by City and Grantor.
 - d) Following recording of Deed from Grantor, if requested by City, provide City with a CLTA Standard Coverage Policy of Title Insurance in the amount of \$650 issued by a Title Company of City's choice showing that title to the Property is vested in City, subject only to the following exceptions, and the printed exceptions and stipulations in said policy:
 - 1) Real Property Taxes for the fiscal year in which escrow closes;
 - 2) Public utility easements and public rights of way;
 - 3) Other items that may be approved in writing by City in advance of the close of escrow.
- ii) CLOSE OF ESCROW - The term "close of escrow", if and where written in these instructions, shall mean the date necessary instruments of conveyance are recorded in the office of the County Recorder. Recordation of instruments delivered through this escrow is hereby authorized.

B. JUDGMENT IN LIEU OF DEED - In the event Grantor does not deliver title in a reasonable time under the terms of the Agreement, the City may file an action in eminent domain to pursue the acquisition of the Property, and this Agreement shall constitute a stipulation which may be filed in said proceedings as final and conclusive evidence of the total amount of damages for the taking, including all of the items listed in Section 1260.230 of the Code of Civil Procedure, regarding said property rights.

C. ARTICLE HEADINGS - Article headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants and conditions of this Agreement.

D. COMPLETE UNDERSTANDING - This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions, and preliminary agreements or understandings, written or oral. This Agreement may not be amended except in writing by the parties hereto or their successors or assigns.

E. CITY COUNCIL APPROVAL - This Agreement is subject to and conditioned upon approval by the Farmersville City Council. This Agreement is not binding upon the City until executed by the appropriate City official(s) acting in their authorized capacity.

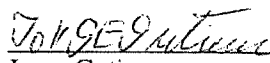
F. COUNTERPARTS - This Agreement may be executed in counterparts, each of which so executed shall irrespective of the date of its execution and delivery be deemed an original, and all such counterparts together shall constitute one and the same document.

G. ELECTRONIC AND FACSIMILE SIGNATURES - In the event that the parties hereto utilize electronic or facsimile documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing original signatures are provided following transmittal of the electronic or facsimile signature. Documents for recordation by the Clerk Recorder must contain original signatures.


No Obligation Other Than Those Set Forth Herein Will Be Recognized.

GRANTOR:

Jorge Gutierrez and Marta Adilia Aguirre, husband and wife as joint tenants


Jorge Gutierrez

Date: 12-28-19


Marta Adilia Aguirre

Date: 12-28-19

GRANTOR'S MAILING ADDRESS:

Jorge Gutierrez and Marta Adilia Aguirre
Post Office Box 1216
Nipomo, CA 93444

CITY OF FARMERSVILLE

By: _____
Gregorio Gomez
Mayor

Date: _____

MAILING ADDRESS OF CITY:

City of Farmersville
Department of Public Works
909 W. Visalia Road
Farmersville, CA 93223

ATTEST:

By: _____
Rochelle Giovani, City Clerk

Date: _____

Recording requested by:
Hamner, Jewell & Associates
Government Real Estate Services

When recorded, mail to:

City of Farmersville
Attn: City Clerk
909 W. Visalia Road
Farmersville, CA 93223

Exempt from the \$75 Building and Jobs Act Fee per Gov't Code §27388.1(2)(D) Public Agency
No fee pursuant to Government Code § 6103
No Documentary Transfer Tax per R&T Code § 11922
No Recording Fee per Government Code § 27383

GRANT DEED
(To the City of Farmersville)

APN: 111-202-040

For a valuable consideration, receipt of which is hereby acknowledged,

Jorge Gutierrez and Marta Adilia Aguirre, husband and wife as joint tenants (hereinafter collectively referred to as "Grantor"),

hereby grants to the

The City of Farmersville, a municipal corporation (hereinafter referred to as "City"),

the following described interests in real property located in the County of Tulare, State of California:

In Fee:

All that certain property described in Exhibit A and depicted in Exhibit B, attached hereto and incorporated herein; and

Temporary Construction Easement:

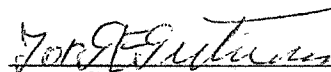
A temporary easement for construction and related purposes, in, on, over, under, along, through, and across that certain parcel of land described in Exhibit C and depicted in Exhibit D, attached hereto and incorporated herein. Said Temporary Construction Easement shall commence thirty (30) days after issuance by City of a Notice of Commencement of Construction, which shall be issued to Grantor by U.S. Mail, and shall automatically terminate upon completion of construction, or one year after the commencement of construction, whichever occurs first. However, the City shall have the right to extend the Temporary Construction Easement term in four (4) additional three (3) month increments if City determines that additional time beyond the

one-year period is necessary for construction completion. In such case, City shall have the unilateral right to extend the Temporary Construction Easement period through construction completion and agrees to compensate Grantor \$35 for each three-month extension term exercised. Payment for any such extension(s) shall be paid by City to Grantor concurrent with City's written notice to Grantor of City's intent to exercise such extension provisions. In any event, this Temporary Construction Easement shall terminate on or before May 31, 2023. Upon termination, the Temporary Construction Easement area will be generally restored by City to a comparable or better condition as that which existed prior to City's access and use, except vegetation and any improvements acquired by City in this transaction.

Executed this 28 day of December, 2019.

GRANTOR:

Jorge Gutierrez and Marta Adilia Aguirre, husband
and wife as joint tenants



Jorge Gutierrez



Marta Adilia Aguirre

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

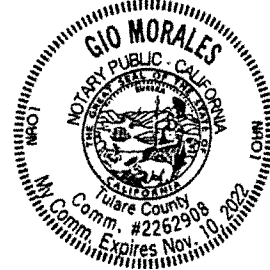
County of San Luis Obispo

On 12-28-19 before me, Gio Morales, Notary Public, personally appeared Jorge Gutierrez, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Gio Morales (Seal)



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

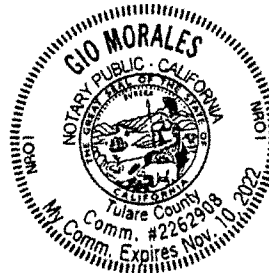
County of San Luis Obispo

On 12-28-19 before me, Gio Morales, Notary Public, personally appeared Marta Adilia Aguirre, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Gio Morales (Seal)



CERTIFICATE OF ACCEPTANCE

This is to certify that the City of Farmersville, a municipal corporation, hereby accepts for public purposes, including street and utility right of way, the real property, or interest therein, described in that Grant Deed dated _____, from Jorge Gutierrez and Marta Adilia Aguirre, husband and wife as joint tenants, Grantor therein, to the City of Farmersville, Grantee therein, and consents to the recordation thereof.

In Witness Whereof, I have hereunto set my hand this _____ day of _____, 20__.

CITY OF FARMERSVILLE

By _____
Gregorio Gomez, Mayor

ATTEST:

By _____
Rochelle Giovani, City Clerk

EXHIBIT "A"
RIGHT OF WAY ACQUISITION

All that certain real property situate in the City of Farmersville, County of Tulare, State of California, located in Section 31, Township 18 South, Range 26 East, M.D.M., and being a portion of the South one half of Lot 40 as shown on the Map of Cameron Creek Colony recorded October 31, 1939 in Volume 19 of Maps at Page 13, Tulare County Official Records, described as follows:

BEGINNING at the Southwest corner of said South one half of Lot 40 (19 Maps 13);
thence from said **POINT OF BEGINNING** North 0°40'54" East along the West line of said Lot 40 (19 Maps 13), 49.98 feet to the Northwest corner of said South one half of Lot 40 (19 Maps 13);
thence South 89°23'38" East along the North line of said South one half, 1.25 feet;
thence South 1°43'24" West, 40.29 feet;
thence South 43°49'48" East, 8.67 feet;
thence South 0°37'00" West, 3.50 feet to a point on the South line of said South one half of Lot 40 (19 Maps 13) that bears South 89°23'38" East, 6.60 feet from the **POINT OF BEGINNING**;
thence North 89°23'38" West along said South line, 6.60 feet to the **POINT OF BEGINNING**.

Containing an area of 81 square feet (0.002 acre) more or less

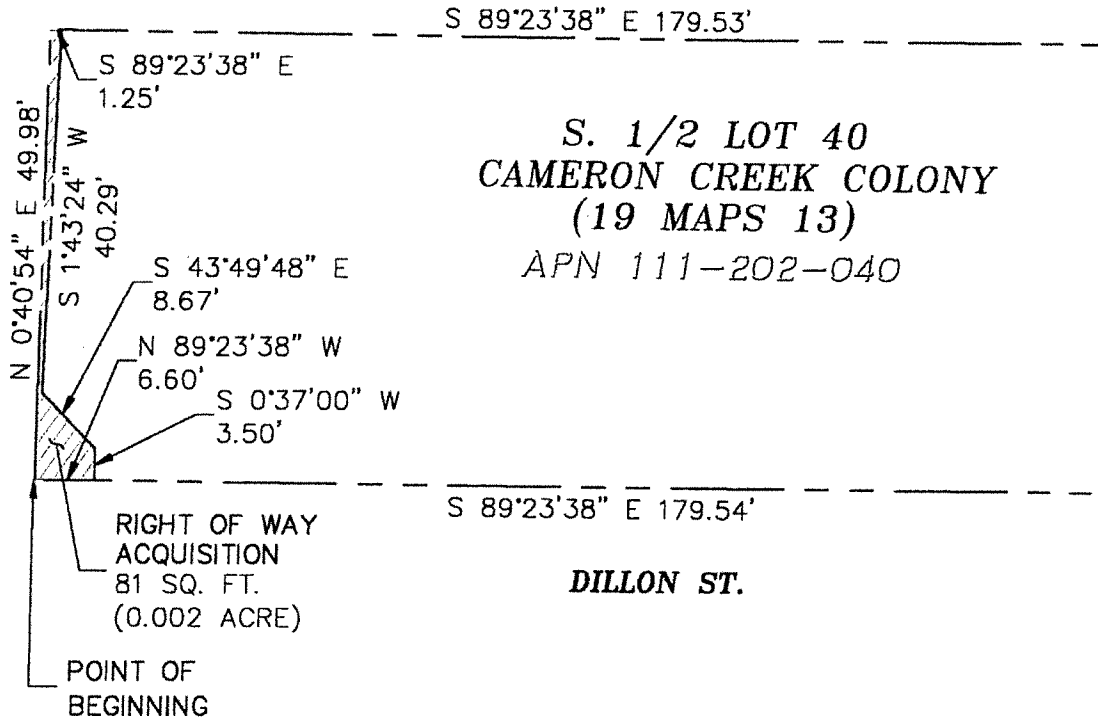
B R H 3-12-19
Brian R. Howard PLS 7250 Date



EXHIBIT 'B'

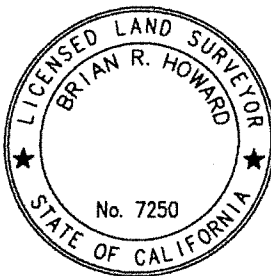
PORTION OF SECTION 31, T. 18 S., R. 26 E., M.D.M.

FARMERSVILLE BLVD. RD 164

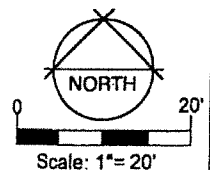


S. 1/2 LOT 40
CAMERON CREEK COLONY
(19 MAPS 13)

APN 111-202-040



B R H 3-12-19
BRIAN R. HOWARD PLS 7250 DATE



3/12/2019 9:51 AM J:\PRJ\1340\1340LG026.DWG

RIGHT OF WAY ACQUISITION

FARMERSVILLE, CALIFORNIA



GHD Inc.
330 Hartnell Avenue, Suite B
Redding, California 96002 USA
T 1 530 242 1700 W www.ghd.com

JAN. 23, 2019
1340LG026.dwg

EXHIBIT C
TEMPORARY CONSTRUCTION EASEMENT

All that certain real property situate in the City of Farmersville, County of Tulare, State of California, located in Section 31, Township 18 South, Range 26 East, M.D.M., and being a portion of the South one half of Lot 40 as shown on the Map of Cameron Creek Colony recorded October 31, 1939 in Volume 19 of Maps at Page 13, Tulare County Official Records, described as follows:

COMMENCING at the Southwest corner of said South one half of Lot 40 (19 Maps 13);
thence from said **POINT OF COMMENCEMENT** South 89°23'38" East, 6.60 feet to the **TRUE POINT OF BEGINNING**;
thence from said **TRUE POINT OF BEGINNING** North 0°37'00" East, 3.50 feet;
thence North 43°49'48" West, 8.67 feet;
thence North 1°43'24" East, 40.29 feet to a point on the North line of said South one half of Lot 40 (19 Maps 13);
thence South 89°23'38" East along said North line, 7.00 feet;
thence South 1°43'24" West, 6.16 feet;
thence South 88°16'36" East, 4.00 feet;
thence South 1°43'24" West, 22.00 feet;
thence North 88°16'36" West, 4.00 feet;
thence South 1°43'24" West, 14.93 feet;
thence South 43°49'48" East, 9.66 feet to a point on the South line of said South one half of Lot 40 (19 Maps 13);
thence North 89°23'38" West along said South line, 7.64 feet to the **TRUE POINT OF BEGINNING**.

Containing an area of 421 square feet (0.010 acre) more or less

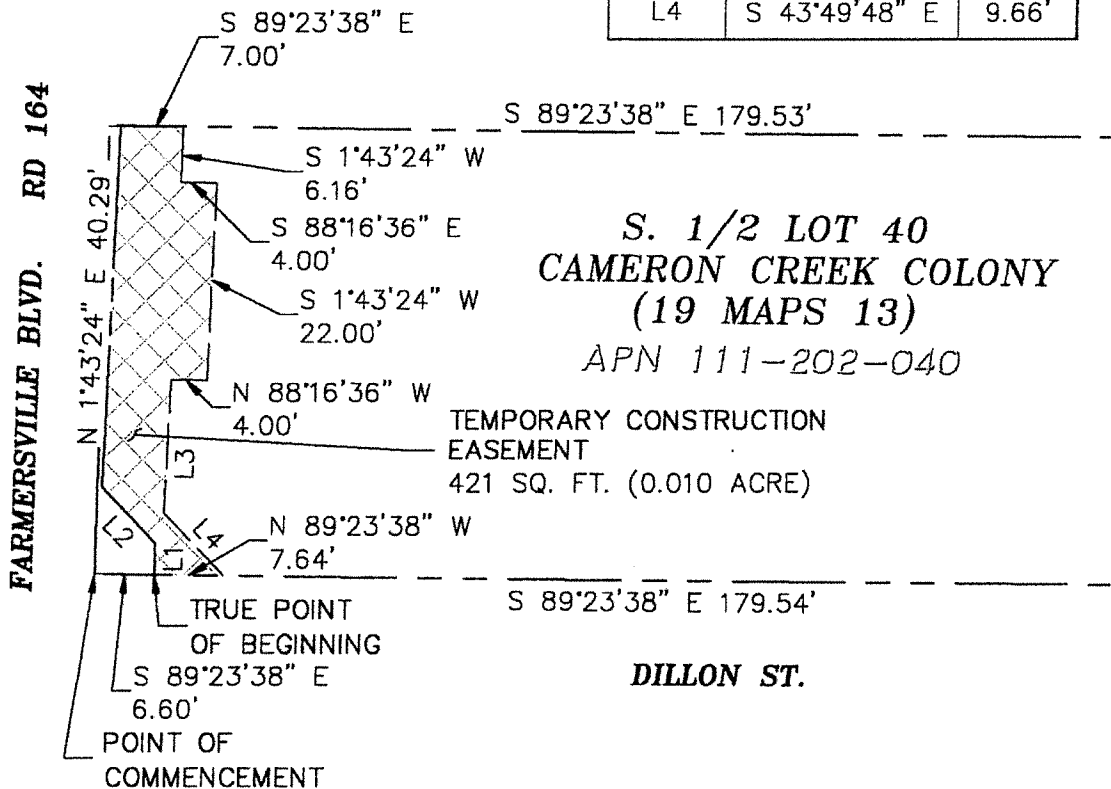
B R H 8-15-19
Brian R. Howard PLS 7250 Date



EXHIBIT D

PORTION OF SECTION 31, T. 18 S., R. 26 E., M.D.M.

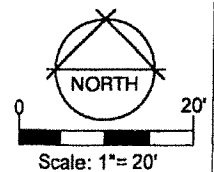
Line Table		
Line #	Direction	Length
L1	N 0°37'00" E	3.50'
L2	N 43°49'48" W	8.67'
L3	S 1°43'24" W	14.93'
L4	S 43°49'48" E	9.66'



B R H

BRIAN R. HOWARD PLS 7250 DATE

8-15-19



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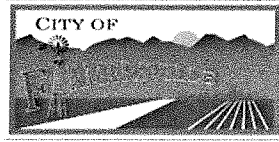
TEMPORARY CONSTRUCTION EASEMENT

FARMERSVILLE, CALIFORNIA



GHD Inc.
330 Hartnell Avenue, Suite B
Redding, California 96002 USA
T 1530 242 1700 W www.ghd.com

AUG. 14, 2019
1340LG026.dwg



City Council

Staff Report 7D

TO: Honorable Mayor and City Council

FROM: Jennifer Gomez, City Manager

DATE: January 13, 2020

SUBJECT: Authorize purchase of Street Right-of-Way from Jesus Soto, Jr. in the amount of \$49,000 and approve Right of Way Agreement; and accept Grant Deed and authorize to execute Deed Certification.

RECOMMENDED ACTION:

Recommend that the City Council:

- 1) Authorize the purchase of street right-of-way on Farmersville Blvd from Jesus Soto, Jr., located as shown on the attached map in the amount of \$49,000; and
- 2) Accept the attached Grant Deed for street right-of-way purposes from Jesus Soto, Jr., and authorize to execute and the City Clerk to attest and record said deed; and
- 3) Approve the attached Right of Way Agreement.

BACKGROUND and DISCUSSION:

As part of the North Farmersville Boulevard Widening Project there are twenty-three properties that are being impacted, therefore the City is required to acquire the street right-of-ways necessary for the project.

The partial acquisition of the frontage of this property was appraised by Hopper Company and valued at \$34,500.00. Negotiations for additional compensation due to an increased value to the fence and gate, and an additional area of lost parking were agreed upon through an administrative settlement and now requires formal action by the City Council to approve the total amount of \$49,000.

FISCAL IMPACT:

A budget for right-of-way acquisition was included in the cost of the project which is being funded by Measure R.

ATTACHMENT(S):

Grant Deed APNs 128-220-071, 128-230-034
Right of Way Agreement

ASSESSOR PARCEL NO.: 128-220-071, 128-230-034
PROJECT: City of Farmersville / N. Farmersville Blvd. Widening
OWNER: Jesus Soto, Jr.

RIGHT OF WAY AGREEMENT

THIS AGREEMENT is made and entered into by and between

Jesus Soto, Jr., a married man as his sole and separate property (hereinafter called "Grantor"), and

The City of Farmersville, a municipal corporation (hereinafter called "City").

An instrument in the form of a Grant Deed ("Deed") covering the property particularly described therein ("Property"), has been executed concurrently with this Agreement and delivered to City representatives.

In consideration of which, and other considerations hereinafter set forth, it is mutually agreed as follows:

1. The parties have herein set forth the whole of their agreement. The performance of this Agreement constitutes the entire consideration for said document and shall relieve the City of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed public improvement, except as stated in Paragraphs 2.E. and 2.F. below.

2. The City shall:

A. PAYMENT - Pay to the order of the Grantor the sum of \$49,000 as consideration in full for the Property, for the loss, replacement and moving of any improvements, and for entering into this Agreement. Said sum shall be paid when title to the Property has vested in City free and clear of all liens, encumbrances, assessments, easements and leases recorded or unrecorded, except for recorded public utility easements and public right of way.

B. RECORDATION OF INSTRUMENT - Accept the Deed and cause the same to be recorded in the office of the Tulare County Recorder at such time as when clear title can be conveyed.

C. MISCELLANEOUS COSTS - Pay any escrow, title insurance, and recording fees incurred in this transaction.

D. CLEARANCE OF BONDS, ASSESSMENTS, OR DELINQUENT TAXES - Have the authority to deduct and pay from the amount shown in Clause 2.A. above any amount necessary to satisfy any bond demands and delinquent taxes due in any year except the year in which the Deed records, together with penalties and interest thereon, and/or delinquent and unpaid non-delinquent assessments which have become a lien as of the date of recordation of the Grant Deed.

E. CONSTRUCTION AND RESTORATION – Shall, upon completion of construction, generally restore Grantor's remaining real property to a comparable or better condition than that which existed prior to City's project construction, to the extent reasonably practical, except vegetation and improvements acquired in paragraph 2.G. City and/or its contractor shall provide temporary construction fencing to secure the frontage of the property at all times during construction once the permanent fence is removed for construction. After completion of construction, City and/or its contractor shall provide written notice to Grantor by personal delivery 10 days prior to removing this temporary construction fencing to allow Grantor time to construct their replacement fence before the temporary fencing is removed.

F. COST TO CURE – Included in the amount payable under paragraph 2.A. is payment in full to compensate Grantor for the expense of performing the following work: replace fencing, gates, gate opener, repair irrigation, install mailbox, relocate wood sign and electrical, repave parking lot.

G. IMPROVEMENTS – Payment in paragraph 2.A. includes, but is not limited to, payment for wrought iron fencing and gates, gate opener, artificial turf, concrete driveways and parking pad, chain link fencing, landscaping and sprinklers, which are considered to be part of the realty and are being acquired by City in this transaction. Grantor may salvage any of these improvements for their own benefit if done before start of construction. City and/or its contractor shall provide written notice of commencement of construction 30 days in advance by U.S. first class mail to Grantor.

H. DRIVEWAY ENCROACHMENT – At no expense to the Grantor, and at the time of roadway construction, the City or its authorized agent will reconstruct at the same width as at start of construction any impacted existing driveway approaches. It is understood and agreed that upon completion of said construction, said driveway approaches shall be considered as encroachments under a revocable permit upon the City road, and they are to be maintained, repaired, and operated as such by Grantor in accordance with and subject to pertinent County and State law, and the City's standard encroachment permit provisions.

I. INDEMNIFICATION - Indemnify and hold harmless Grantor from any and all claims, damages, costs, judgments, or liability proximately caused by City or its officers, employees, or agents specifically arising from City construction and restoration work on the Property.

3. The Grantor:

A. PAYMENT ON MORTGAGE OR DEED OF TRUST - Agrees that any or all monies payable under this Agreement up to and including the total amount of the unpaid principal and interest on the note(s) secured by mortgage(s) or deed(s) of trust, if any, and all other amounts due and payable in accordance with the terms and conditions of said mortgage(s) or deed(s) of trust, shall upon demand(s) be made payable to the mortgagee(s) or beneficiary(s) entitled thereunder. Grantor shall cooperate with the Escrow Officer in obtaining lien clearance documents from any and all creditors holding liens against the Property.

B. LEASE INDEMNIFICATION - Warrants there are no oral or written leases on all or any portion of the Property, or if there are such leases, Grantor agrees to hold the City harmless

and reimburse City for any and all of its losses and expenses occasioned by reason of any lease of said Property held by tenant of Grantor.

C. PERMISSION TO ENTER - Hereby grants to the City, its agents and contractors, permission to enter the Property prior to the close of escrow for the purposes of preparation for the construction of the City's facilities, subject to all applicable terms and conditions contained in this Agreement and the associated Deed. Grantor grants to the City, its agents and contractors, permission to enter the Property for construction purposes upon payment of the compensation set forth in Paragraphs 2.A., 2.E. and 2.H.

D. TITLE INDEMNITY AND WARRANTY - In consideration of the City waiving the requirements to clear any defects and imperfections in all matters of record title, the Grantor indemnifies and holds the City harmless from any and all claims that other parties may make or assert on the title to the Property. Grantor's obligation to indemnify the City shall not exceed the amount paid to the Grantor under this Agreement. Grantor hereby represents and warrants that he/she/they are the sole vested owners of the Property, holding all ownership and possessory rights, and are the authorized signatories to grant the rights referenced in this Agreement without conflict or claims from other parties.

E. HAZARDOUS SUBSTANCES - Represents and warrants, to the best of Grantor's knowledge, and after reasonable inquiry, the following:

During Grantor's ownership of the Property, Grantor knows of no disposal, releases, or threatened releases of hazardous substances on, from, or under the Property or Grantor's remaining adjacent property. Grantor further represents and warrants that Grantor has no knowledge of disposal, release, or threatened release of hazardous substances on, from, or under the Property, or Grantor's remaining adjacent property, which may have occurred prior to Grantor's ownership.

There is no pending claim, lawsuit, agency proceeding, or any administrative challenge concerning the presence or use of hazardous substances on or within the Property or Grantor's remaining adjacent property.

Grantor has not used the Property, or Grantor's remaining adjacent property, for any industrial operations that use hazardous substances. Grantor is not aware of any prior use of such property. Grantor has not installed any underground storage tanks, above ground storage tanks, barrels, sumps, impoundments or other containers used to contain hazardous substances on any part of the Property or Grantor's remaining adjacent property. Grantors are not aware of any such prior installations. The purchase price of the Property being acquired reflects the fair market value of the Property without the presence of contamination. If the Property is found to be contaminated by the presence of hazardous substances which require mitigation under Federal or State law, City may elect to recover its cleanup costs from those who caused or contributed to the contamination.

4. The Parties agree:

A. ESCROW - At City's option, to open an escrow in accordance with this Agreement at an escrow company of City's choice. Opening an escrow shall be at City's sole discretion and

City may decide to process this transaction without the use of an escrow agent. However, if an escrow agent is utilized, this Agreement constitutes the joint escrow instructions of City and Grantor, and the escrow agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts necessary to close this escrow in the shortest possible time.

If an escrow is utilized, as soon as possible after opening of escrow, City will deposit the executed Deed by Grantor, with Certificate of Acceptance attached, with the escrow agent on Grantor's behalf. City agrees to deposit the purchase price upon demand of escrow agent. City and Grantor agree to deposit with escrow agent all additional instruments as may be necessary to complete this transaction. All funds received in this escrow shall be deposited with other escrow funds in a general escrow fund account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check or wire transfer from such account.

Any taxes which have been paid by Grantor, prior to opening of this escrow, shall not be pro-rated between City and Grantor, but Grantor shall have the sole right after close of escrow, to apply to the County Tax Collector of said County for any refund of such taxes which may be due Grantor for the period after City's acquisition.

- i) ESCROW AGENT DIRECTIVES - Escrow Agent is authorized to, and shall:
 - a) Pay and charge Grantor for any unpaid delinquent taxes and/or any penalties and interest thereon, and for any delinquent assessments or bonds against that portion of Grantor's property subject to this transaction as required to convey clear title.
 - b) Pay and charge City for any escrow fees, charges and costs payable under Paragraph 2.C. of this Agreement;
 - c) Disburse funds and deliver Deed when conditions of this escrow have been fulfilled by City and Grantor.
 - d) Following recording of Deed from Grantor, if requested by City, provide City with a CLTA Standard Coverage Policy of Title Insurance in the amount of the compensation set forth in Paragraph 2.A. issued by a Title Company of City's choice showing that title to the Property is vested in City, subject only to the following exceptions, and the printed exceptions and stipulations in said policy:
 - 1) Real Property Taxes for the fiscal year in which escrow closes;
 - 2) Public utility easements and public rights of way;
 - 3) Item Nos. 1-8, 15 and 16 of the preliminary title report issued by First American Title Company, dated August 29, 2019, referenced as Order No. 54075649569; and
 - 4) Other items that may be approved in writing by City in advance of the close of escrow.

- ii) CLOSE OF ESCROW - The term "close of escrow", if and where written in these instructions, shall mean the date necessary instruments of conveyance are recorded in the office of the County Recorder. Recordation of instruments delivered through this escrow is hereby authorized.

B. JUDGMENT IN LIEU OF DEED - In the event Grantor does not deliver title in a reasonable time under the terms of the Agreement, the City may file an action in eminent domain to pursue the acquisition of the Property, and this Agreement shall constitute a stipulation which may be filed in said proceedings as final and conclusive evidence of the total amount of damages for the taking, including all of the items listed in Section 1260.230 of the Code of Civil Procedure, regarding said property rights.

C. ARTICLE HEADINGS - Article headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants and conditions of this Agreement.

D. COMPLETE UNDERSTANDING - This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions, and preliminary agreements or understandings, written or oral. This Agreement may not be amended except in writing by the parties hereto or their successors or assigns.

E. CITY COUNCIL APPROVAL - This Agreement represents Grantor's settlement proposal and is expressly subject to and contingent upon City's acceptance and approval. Deposit into escrow of a fully executed copy of this Agreement constitutes acceptance and approval by City. City shall not be bound to the terms and conditions herein unless and until this Agreement has been approved and ratified by the City Council and has been executed by the appropriate City official(s) acting in their authorized capacity.

F. COUNTERPARTS - This Agreement may be executed in counterparts, each of which so executed shall irrespective of the date of its execution and delivery be deemed an original, and all such counterparts together shall constitute one and the same document.

G. ELECTRONIC AND FACSIMILE SIGNATURES - In the event that the parties hereto utilize electronic or facsimile documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing original signatures are provided following transmittal of the electronic or facsimile signature. Documents for recordation by the Clerk Recorder must contain original signatures.

No Obligation Other Than Those Set Forth Herein Will Be Recognized.
GRANTOR:

Jesus Soto, Jr., a married man as his sole and separate property

By: _____

Date: _____

Jesus Soto, Jr.

GRANTOR'S MAILING ADDRESS:

Jesus Soto, Jr.
4406 E. Acequia Avenue
Visalia, CA 93292

CITY OF FARMERSVILLE

By: _____
Gregorio Gomez
Mayor

Date: _____

MAILING ADDRESS OF CITY:

City of Farmersville
Department of Public Works
909 W. Visalia Road
Farmersville, CA 93223

ATTEST:

By: _____
Rochelle Giovani, City Clerk

Date: _____

Recording requested by:
Hamner, Jewell & Associates
Government Real Estate Services

When recorded, mail to:

City of Farmersville
Attn: City Clerk
909 W. Visalia Road
Farmersville, CA 93223

Exempt from the \$75 Building and Jobs Act Fee per Gov't Code §27388.1(2)(D) Public Agency
No fee pursuant to Government Code § 6103
No Documentary Transfer Tax per R&T Code § 11922
No Recording Fee per Government Code § 27383

GRANT DEED
(To the City of Farmersville)

APN: 128-220-071, 128-230-034

For a valuable consideration, receipt of which is hereby acknowledged,

Jesus Soto, Jr., a married man as his sole and separate property (hereinafter referred to as
"Grantor"),

hereby grants to the

The City of Farmersville, a municipal corporation (hereinafter referred to as "City"),

the following described interests in real property located in the City of Farmersville, County of
Tulare, State of California:

In Fee:

All that certain property described in Exhibits A-1 and A-2 and depicted in Exhibits B-1 and B-
2, attached hereto and incorporated herein; and

Temporary Construction Easement:

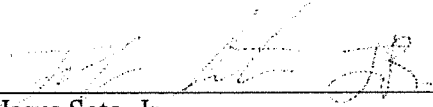
A temporary easement for construction and related purposes, in, on, over, under, along, through,
and across those certain parcel(s) of land, described in Exhibits C-1 and C-2 and depicted in
Exhibits D-1 and D-2, attached hereto and incorporated herein. Said Temporary Construction
Easement shall commence thirty (30) days after issuance by City of a Notice of Commencement
of Construction, which shall be issued to Grantor by U.S. Mail, and shall automatically terminate
upon completion of construction, or one year after the commencement of construction,
whichever occurs first. However, the City shall have the right to extend the Temporary
Construction Easement term in four (4) additional three (3) month increments if City determines

that additional time beyond the one-year period is necessary for construction completion. In such case, City shall have the unilateral right to extend the Temporary Construction Easement period through construction completion and agrees to compensate Grantor \$200 for each three-month extension term exercised. Payment for any such extension(s) shall be paid by City to Grantor concurrent with City's written notice to Grantor of City's intent to exercise such extension provisions. In any event, this Temporary Construction Easement shall terminate on or before May 31, 2023. Upon termination, the Temporary Construction Easement area will be generally restored by City to a comparable or better condition as that which existed prior to City's access and use, except vegetation and any improvements by City in this transaction.

Executed this 10th day of January, 2020.

GRANTOR:

Jesus Soto, Jr., a married man as his sole and separate property



Jesus Soto, Jr.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Tulare

On 1-10-20 before me, Gio Morales, Notary Public, personally appeared Jesus Soto, Jr., who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~/are subscribed to the within instrument and acknowledged to me that ~~he~~/she/they executed the same in ~~his~~/her/their authorized capacity(ies), and that by ~~his~~/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Gio Morales (Seal)



CERTIFICATE OF ACCEPTANCE

This is to certify that the City of Farmersville, a municipal corporation, hereby accepts for public purposes, including street and utility right of way, the real property, or interest therein, described in that Grant Deed dated _____, from Jesus Soto, Jr., a married man as his sole and separate property, Grantor therein, to the City of Farmersville, Grantee therein, and consents to the recordation thereof.

In Witness Whereof, I have hereunto set my hand this _____ day of _____, 20__.

CITY OF FARMERSVILLE

By _____
Gregorio Gomez, Mayor

ATTEST:

By _____
Rochelle Giovani, City Clerk

EXHIBIT A-1
RIGHT OF WAY ACQUISITION

All that certain real property situate in the City of Farmersville, County of Tulare, State of California, located in Section 36, Township 18 South, Range 25 East, M.D.M., and being a portion of Parcel 6 as shown on the Parcel Map No. 3663 filed October 27, 1988 in Book 37 of Parcel Maps at Page 66, Tulare County Official Records, described as follows:

BEGINNING at the Southeast corner of said Parcel 6 (37 PM 66);

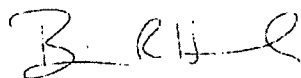
thence from said **POINT OF BEGINNING** North 89°11'12" West along the South line of said Parcel 6 (37 PM 66), 18.02 feet;

thence North 0°21'36" West, 125.03 feet to a point on the North line of said Parcel 6 (37 PM 66) that bears North 89°11'12" West, 20.30 feet from the Northeast corner of said Parcel 6 (37 PM 66);

thence South 89°11'12" East along said North line, 20.30 feet to said Northeast corner;

thence South 0°40'54" West along the East line of said Parcel 6 (37 PM 66), 125.00 feet to the **POINT OF BEGINNING**.

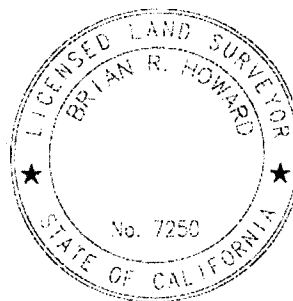
Containing an area of 2,396 square feet (0.055 acre) more or less



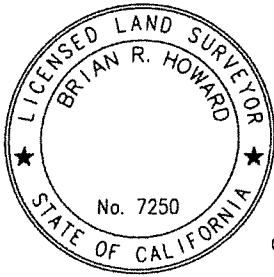
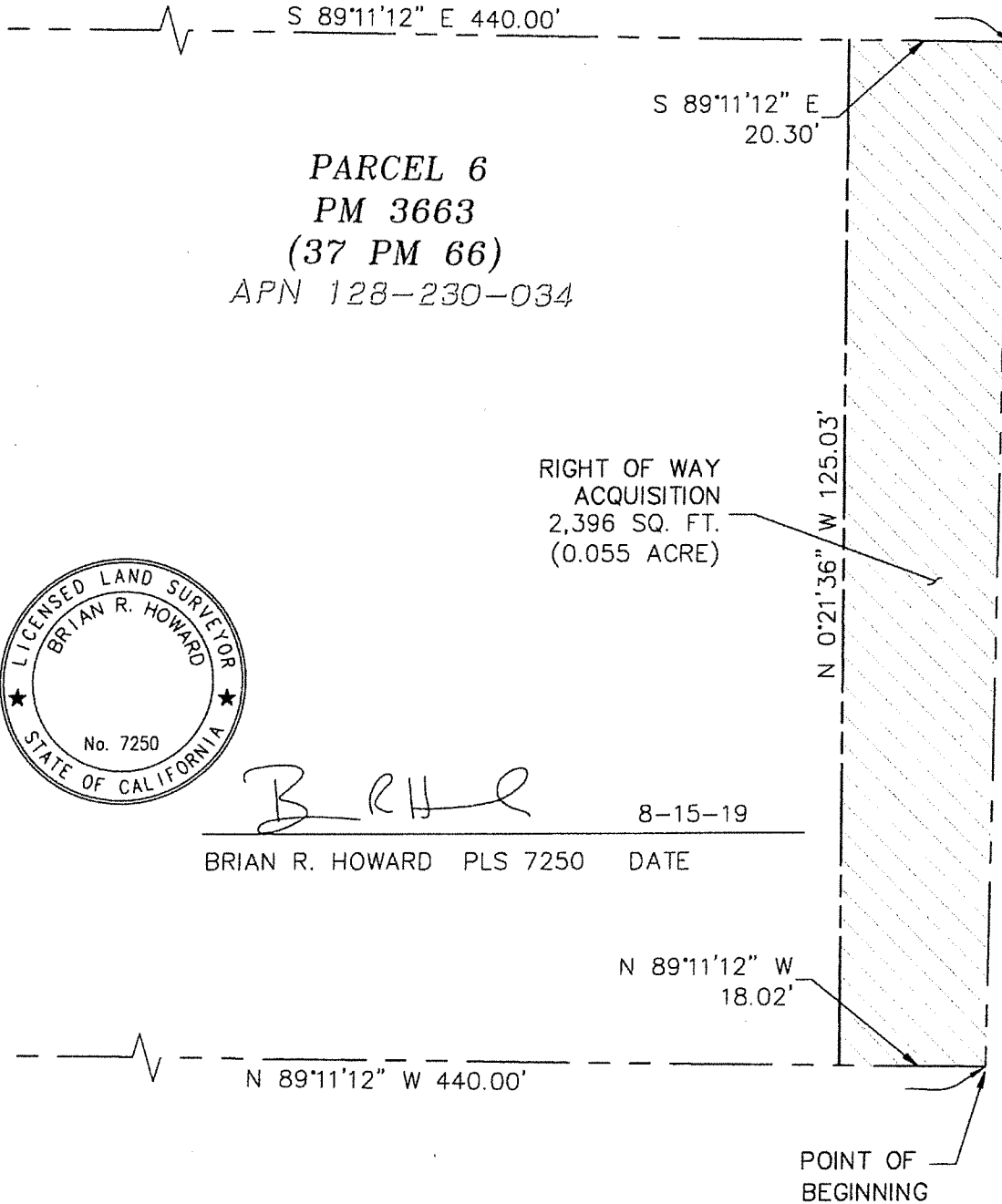
8-15-19

Brian R. Howard PLS 7250

Date



PORTION OF SECTION 36, T. 18 S., R. 25 E., M.D.M.

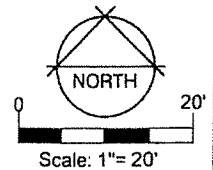


B R H

8-15-19

BRIAN R. HOWARD PLS 7250 DATE

FARMERSVILLE BLVD. RD 164



8/16/2019 12:48 PM J:\PRJ\1340\1340LG009.DWG

FARMERSVILLE, CALIFORNIA



GHD Inc.
330 Hartnell Avenue, Suite B
Redding, California 96002 USA
T 1 530 242 1700 W www.ghd.com

AUG. 14, 2019
1340LG009.dwg

EXHIBIT A-2
RIGHT OF WAY ACQUISITION

All that certain real property situate in the City of Farmersville, County of Tulare, State of California, located in Section 36, Township 18 South, Range 25 East, M.D.M., and being a portion of Parcel 5 as shown on the Parcel Map No. 3663 filed October 27, 1988 in Book 37 of Parcel Maps at Page 66, Tulare County Official Records, described as follows:

BEGINNING at the Southeast corner of said Parcel 5 (37 PM 66);

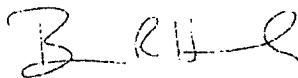
thence from said **POINT OF BEGINNING** North 89°11'51" West along the South line of said Parcel 5 (37 PM 66), 15.25 feet;

thence North 0°21'36" West, 152.58 feet to a point on the North line of said Parcel 5 (37 PM 66) that bears North 89°11'12" West, 18.02 feet from the Northeast corner of said Parcel 5 (37 PM 66) ;

thence South 89°11'12" East along said North line, 18.02 feet to said Northeast corner;

thence South 0°40'54" West along the East line of said Parcel 5 (37 PM 66), 152.55 feet to the **POINT OF BEGINNING** .

Containing an area of 2,537 square feet (0.058 acre) more or less



3-1-19

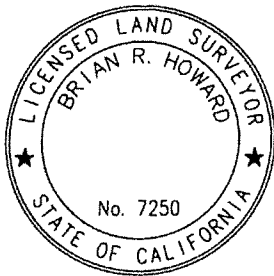
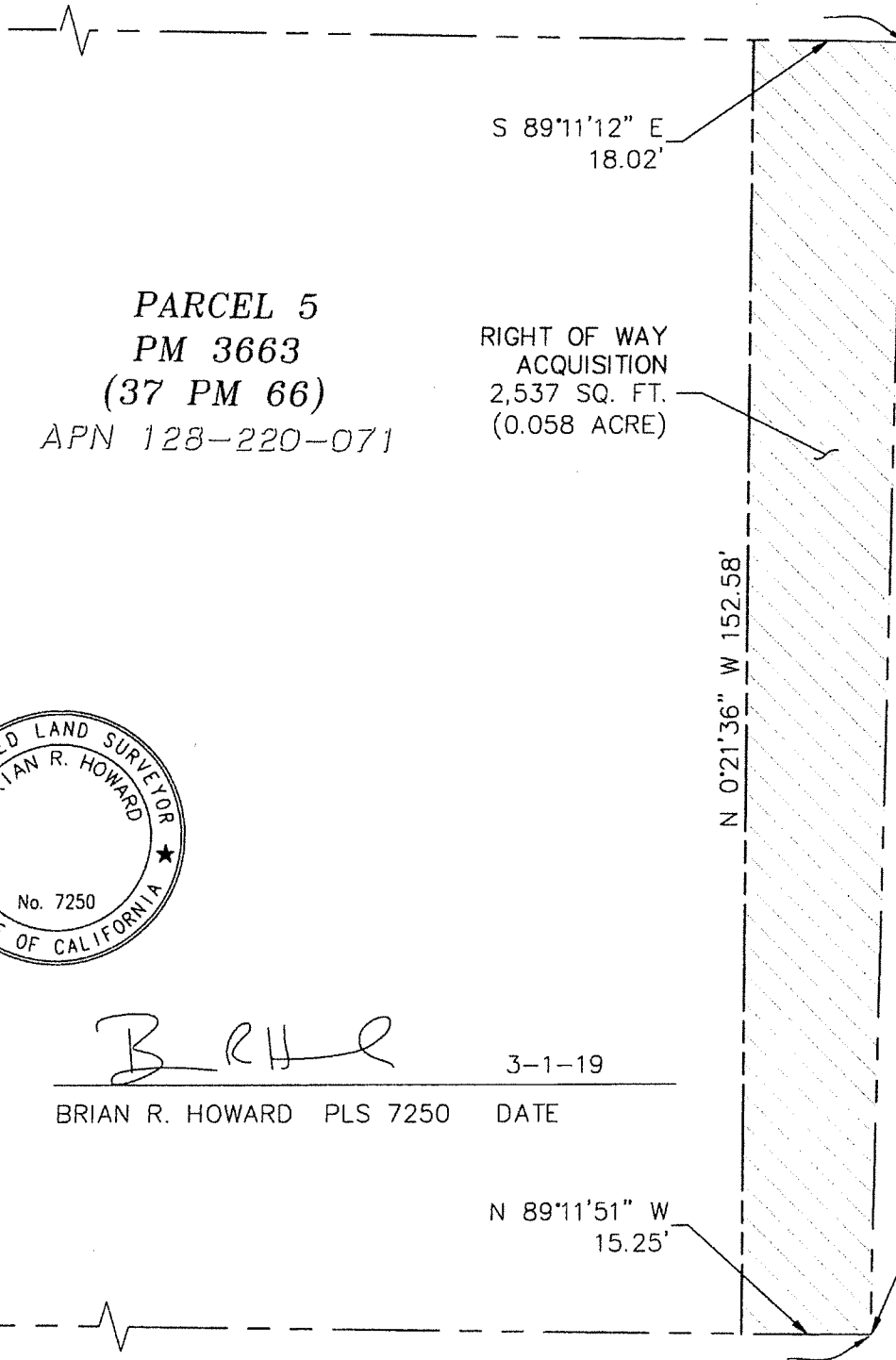
Brian R. Howard PLS 7250

Date



EXHIBIT B-2

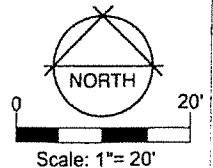
PORTION OF SECTION 36, T. 18 S., R. 25 E., M.D.M.



B R H

3-1-19

BRIAN R. HOWARD PLS 7250 DATE



FARMERSVILLE, CALIFORNIA



GHD Inc.
330 Hartnell Avenue, Suite B
Redding, California 96002 USA
T 1 530 242 1700 W www.ghd.com

JAN. 23, 2019
1340LG008.dwg

EXHIBIT C-1
TEMPORARY CONSTRUCTION EASEMENT

All that certain real property situate in the City of Farmersville, County of Tulare, State of California, located in Section 36, Township 18 South, Range 25 East, M.D.M., and being a portion of Parcel 5 as shown on the Parcel Map No. 3663 filed October 27, 1988 in Book 37 of Parcel Maps at Page 66, Tulare County Official Records, described as follows:

COMMENCING at the Southeast corner of said Parcel 5 (37 PM 66);

thence from said **POINT OF COMMENCEMENT** North 89°11'51" West along the South line of said Parcel 5 (37 PM 66), 15.25 feet to the **TRUE POINT OF BEGINNING**;

thence from said **TRUE POINT OF BEGINNING** North 89°11'51" West continuing along said South line of Parcel 5 (37 PM 66), 9.00 feet;

thence North 0°21'36" West, 39.05 feet;

thence South 88°58'34" West, 4.00 feet;

thence North 0°21'33" West, 21.89 feet;

thence North 89°38'27" East, 4.00 feet;

thence North 0°21'36" West, 76.27 feet;

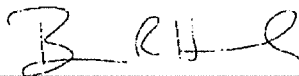
thence South 89°38'24" West, 2.00 feet;

thence North 0°21'36" West, 15.45 feet to a point on the North line of said Parcel 5 (37 PM 66);

thence South 89°11'12" East along said North line, 11.00 feet;

thence South 0°21'36" East, 152.58 feet to the **TRUE POINT OF BEGINNING** .

Containing an area of 1,491 square feet (0.034 acre) more or less.



3-1-19

Brian R. Howard PLS 7250

Date



PORTION OF SECTION 36, T. 18 S., R. 25 E., M.D.M.

PARCEL 5
PM 3663
(37 PM 66)
APN 128-220-071



B R H

BRIAN R. HOWARD PLS 7250 DATE

TEMPORARY
CONSTRUCTION
EASEMENT
1,491 SQ. FT.
(0.034 ACRE)

N 89°38'27" E
4.00'

N 0°21'33" W
21.89'

S 88°58'34" W
4.00'

N 89°11'51" W
9.00'

N 0°21'36" W 76.27'

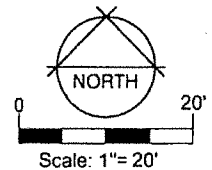
S 0°21'36" E 152.58'

FARMERSVILLE BLVD. RD 164

N 89°11'51" W
15.25'

POINT OF
COMMENCEMENT

TRUE POINT
OF BEGINNING



2/27/2019 9:33 AM J:\PRJ\1340\1340LG008.DWG

FARMERSVILLE, CALIFORNIA



GHD Inc.
330 Hartnell Avenue, Suite B
Redding, California 96002 USA
T 1 530 242 1700 W www.ghd.com

JAN. 23, 2019
1340LG008.dwg

EXHIBIT C-2
TEMPORARY CONSTRUCTION EASEMENT

All that certain real property situate in the City of Farmersville, County of Tulare, State of California, located in Section 36, Township 18 South, Range 25 East, M.D.M., and being a portion of Parcel 6 as shown on the Parcel Map No. 3663 filed October 27, 1988 in Book 37 of Parcel Maps at Page 66, Tulare County Official Records, described as follows:

COMMENCING at the Southeast corner of said Parcel 6 (37 PM 66);

thence from said **POINT OF COMMENCEMENT** North 89°11'12" West along the South line of said Parcel 6 (37 PM 66), 18.02 feet to the **TRUE POINT OF BEGINNING**;

thence from said **TRUE POINT OF BEGINNING** North 89°11'12" West continuing along said South line of Parcel 6 (37 PM 66), 11.00 feet;

thence North 0°21'36" West, 6.33 feet;

thence North 89°38'24" East, 4.00 feet;

thence North 0°21'36" West, 18.61 feet;

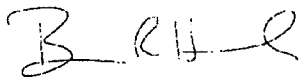
thence South 89°38'24" West, 8.00 feet;

thence North 0°21'36" West, 100.17 feet to a point on the North line of said Parcel 6 (37 PM 66);

thence South 89°11'12" East along said North line, 15.00 feet;

thence South 0°21'36" East, 125.03 feet to the **TRUE POINT OF BEGINNING**.

Containing an area of 1,701 square feet (0.039 acre) more or less



3-1-19

Brian R. Howard PLS 7250

Date

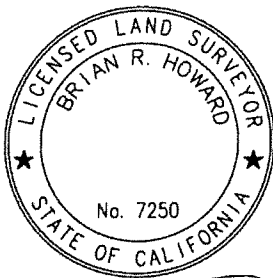


PORTION OF SECTION 36, T. 18 S., R. 25 E., M.D.M.

S 89°11'12" E 440.00'

S 89°11'12" E
15.00'

PARCEL 6
PM 3663
(37 PM 66)
APN 128-230-034



TEMPORARY
CONSTRUCTION
EASEMENT
1,701 SQ. FT.
(0.039 ACRE)

B R H

3-1-19

BRIAN R. HOWARD PLS 7250 DATE

N 0°21'36" W 100.17'

S 0°21'36" E 125.03'

FARMERSVILLE BLVD. RD 164

S 89°38'24" W
8.00'

N 0°21'36" W
18.61'

N 89°38'24" E
4.00'

N 0°21'36" W
6.33'

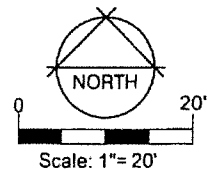
N 89°11'12" W
11.00'

N 89°11'12" W
18.02'

N 89°11'12" W 440.00'

TRUE POINT
OF BEGINNING

POINT OF
COMMENCEMENT



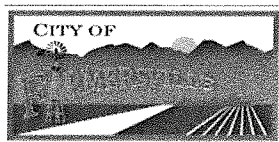
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FARMERSVILLE, CALIFORNIA



GHD Inc.
330 Hartnell Avenue, Suite B
Redding, California 96002 USA
T 1 530 242 1700 W www.ghd.com

JAN. 23, 2019
1340LG009.dwg



City Council

Staff Report 7E

TO: Honorable Mayor and City Council

FROM: Jennifer Gomez, City Manager

DATE: January 13, 2020

SUBJECT: Resolution to Apply for HOME funding for a new construction multifamily rental project—Farmersville Village II

RECOMMENDED ACTION:

It is recommended that the City Council adopt Resolution 2020-002 authorizing the application to the State's Department of Housing and Community Development (HCD) under the HOME program for up to \$5.1 million in loan funding to provide project financing which will be used to construct Farmersville Village II.

BACKGROUND and DISCUSSION:

On October 31, 2019, HCD issued the 2019-20 Notice of Funding Availability announcing the availability of funds under the HOME program. The City has a desire to apply for funds, which will be utilized by Self-Help Enterprises to develop Farmersville Village II, located on the Southeast Corner of Walnut Avenue and Farmersville Boulevard, Farmersville CA, 93223.

The City has a unique opportunity to apply for HOME funds to construct this project. The City would be the applicant for HOME funds, and Self-Help Enterprises (SHE) would serve as the developer/sponsor. SHE already has site control through a purchase agreement. The Farmersville Village II project is the second phase of development in Farmersville and includes the construction of a 54-unit affordable rental community. The project will include 18 one-bdrm units, 18 two-bdrm units, and 18 three-bdrm units. A centrally located community building and a laundry facility will be shared with Phase I through a Joint Use Agreement. The project is 100% affordable and will serve working families at or below 60% AMI. HOME funds would help to close a financing gap when used in conjunction with Joe Serna Jr. funds.

The HOME funding will be provided to SHE as a fully deferred permanent loan with a term of 55 years commencing on the date of recordation of HCD's HOME regulatory agreement. HCD loans typically carry an interest rate of 3%. The loan will be an obligation of the Limited Partnership that owns the affordable housing project and not an obligation of the City. SHE will

fully indemnify the City for all work, will include the City as additional insured, and will have 100% performance and material bonds for the project.

Summary of Farmersville Village II Project: Farmersville Village II is located on the Southeast Corner of Walnut Avenue and Farmersville Boulevard, on the south end of a 5.94 acre parcel. The development mirrors what is being developed on Phase I: 9 Multifamily buildings, with 6 units each for a total of 54 low income units. Phase II will share a Community Building with Phase I and will also include a full basketball court and open green space will be incorporated on site.

FISCAL IMPACT:

Of the \$5.1 Million, \$100,000 will be set aside to cover the costs of Davis-Bacon Monitoring by an outside consultant and an administrative subcontractor to complete all of the reports to HCD. Therefore, there will be no financial impact on the city.

ATTACHMENT(S):

Resolution 2020-002

RESOLUTION 2020- 002

Authorization to Apply for HOME Funding for a New Construction Multifamily Rental Project Farmersville Village II, Farmersville, Tulare County, CA

The City of Farmersville (The City) hereby authorizes the submittal of a loan application to the California State Department of Housing and Community Development (“Department”) for funding under the HOME Investment Partnerships Program, and if selected, the execution of a standard agreement, any amendments thereto, and other related documents necessary to participate in the HOME Investment Partnerships Program.

WHEREAS, The City is empowered to enter into an obligation to receive state funds to promote affordable housing efforts; and

WHEREAS, the Department is authorized to allocate HOME Investment Partnerships Program (“HOME”) funds made available from the U.S. Department of Housing and Urban Development (“HUD”). HOME funds are to be used for the purposes set forth in Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, in federal implementing regulations set forth in Title 24 of the Code of Federal Regulations, part 92, and in Title 25 of the California Code of Regulations commencing with section 8200; and

WHEREAS, in October, 2019, the Department issued a 2019 Notice of Funding Availability announcing the availability of funds under the HOME program (the “NOFA”); and

WHEREAS, in response to the 2019 NOFA, The City wishes to apply to the Department for, and receive an allocation of, HOME funds;

WHEREAS, The City will be the applicant for the funds, and Self-Help Enterprises (SHE) will be the developer;

NOW, THEREFORE BE IT RESOLVED THAT, in response to the 2019 NOFA, The City shall submit an application to the Department to participate in the HOME program and for an allocation of funds not to exceed \$5.1 Million for permanent and construction financing of Farmersville Village II, a 54-unit rental project to be located in Farmersville, CA, Tulare County; and

FURTHER RESOLVED that, if the application for funding is approved, then The City hereby agrees to use the HOME funds for eligible activities in the manner presented in its application as approved by the Department in accordance with the statutes and regulations cited above. The City may also execute a standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required by the Department or HUD for participation in the HOME program (collectively, the required documents).

FURTHER RESOLVED that The Council authorizes City Manager, to execute in the name of The City, any and all documentation required by HOME in the disbursement of funds during the term of the grant.

PASSED, ADOPTED AND APPROVED this 13th day of January, 2020 by the following vote:

AYES: _____

NOES: _____

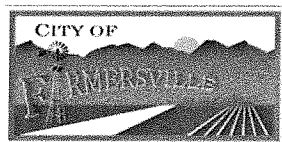
ABSTAIN: _____

ABSENT: _____

GREGORIO GOMEZ
MAYOR of the City of Farmersville

ATTEST:

ROCHELLE GIOVANI – CITY CLERK



City Council

Staff Report 8A

TO: Honorable Mayor and City Council

FROM: Jennifer Gomez, City Manager

DATE: January 13, 2020

SUBJECT: Public Hearing: Final Grant Expenditures and Accomplishments for 14-CDBG-9900 Housing, Public Service, and Public Facility Improvement Activities

RECOMMENDED ACTION:

It is respectfully recommended that the City Council facilitate a public hearing for the review of final grant expenditures and accomplishments with the Community Development Block Grant (CDBG) 14-CDBG-9900; and authorize the City Manager to finalize and submit 14-CDBG-9900 grant closeout documents to California's Department of Housing and Community Development (HCD).

BACKGROUND and DISCUSSION:

The purpose of the hearing is to allow Farmersville citizens the opportunity to review and comment on the following subjects associated with the 14-CDBG-9900 grant including:

- Final Grant Expenditures and Accomplishments of a Direct Homeownership Assistance Program, a Single-Unit Residential Rehabilitation Program, Three (3) Public Services Activities (e.g., Library, Senior, and Youth), Two (2) Public Facility Projects; and,
- Approved Supplemental / Program Income (PI) Activities.

Public Hearing notices in both English and Spanish were published in The Foothills Sun-Gazette.

2014 CDBG GRANT ACTIVITIES (14-CDBG-9900)

The City received a grant award of \$1,476,562.00 from the Department of Housing and Community Development (HCD) CDBG Program to operate two (2) housing programs, implement three (3) public services, and to complete two (2) public facility improvement projects. To foster housing opportunities for low-income households, the City used grant funds to administer a Direct Homeownership Assistance Program and a Single-Unit Residential Rehabilitation program within City limits. Providing specific population and community-wide benefits, the City partnered with local organizations for the delivery of library, senior, and public services activities. The City also

garnered permission to complete building improvements with grant funding. A combination of the 2014 CDBG General Allocation and approved budget amendments with HCD provided overall grant funding for the aforementioned programs, activities, and projects. The final grant budget included \$715,401 for Homeownership Assistance, \$148,347 for Single-Unit Residential Rehabilitation, \$44,939 for Library Services, \$98,708 for Senior Services, \$232,435 for Youth Services, and \$103,016 for General Administration expenses of the grant. The grant term expired on October 31, 2019.

A summary of grant expenditures is included in the table below.

Activity	Budget	Expended	Unexpended
Direct Homeownership Assistance	\$715,401.00	\$631,141.35	\$84,259.65
Activity Delivery – Homeownership Assistance	\$58,490.00	\$50,490.00	\$8,000.00
Single-Unit Residential Rehabilitation	\$148,347.00	\$148,347.00	\$0.00
Activity Delivery – Residential Rehabilitation	\$28,186.00	\$28,186.00	\$0.00
Library Services	\$44,939.00	\$43,749.25	\$1,189.75
Senior Services	\$98,708.00	\$98,708.00	\$0.00
Youth Services	\$232,435.00	\$232,435.00	\$0.00
Public Facility – Museum & Event Center	\$13,725.00	\$9,500.00	\$4,225.00
Public Facility – Community Center	\$33,315.00	\$32,220.00	\$1,095.00
General Administration	\$103,016.00	\$103,016.00	\$0.00
Total	\$1,476,562.00	\$1,377,792.60	\$98,769.40

Direct Homeownership Assistance Program

The City assisted thirteen (13) households achieve homeownership by way of expending a total of \$631,141.35 in grant funding. Key demographic information collected for program participants includes:

- Households Participating / Owner Occupied 13
- Total Persons Assisted 42
- Households of Hispanic Heritage 12
- Farmworker Households 4

*Five of these thirteen households received funding from both the grant and program income (PI) sources. The five households were counted as grant only for demographic reporting in this report.

Single-Unit Residential Rehabilitation Program

The City helped three (3) households complete improvements to their homes with a total of \$148,347.00 in grant funding. Key demographic information collected for program participants includes:

- Households Participating / Owner Occupied 3
- Total Persons Assisted 7
- Households of Hispanic Heritage 1

Library Services

The City established a subrecipient agreement with the Tulare County Library in order to utilize CDBG funding for the salary and benefits related to staffing one (1) part-time library assistant at

the Farmersville Branch. Per the Subrecipient Agreement, the Part-Time Library Assistant would provide library services for a minimum of 96 hours per month and 1,160 hours per year. From April 2017 through October 2019, staffing and library services were available at the Farmersville Branch for an average of 122 hours per month. The Tulare County Library expanded program offerings at the Branch for the community over the course of grant term and received steady increases in patron usage of standard library services.

The table below lists cumulative totals of several standard library services and other Branch programs from the period of April 2017 through October 2019.

Library Service & Programs	Total Number of Persons, Usage, or Attendance
Patrons Registered for Library Cards	600 people
Public Computer Usage	5,533 single uses
Total Circulation – Items Borrowed	17,931 items
Questions Answered By Staff	8,246 questions
Pre-School Story time	331 children
After-School Crafts & Activities	1,176 youth
Summer Reading Event Attendance: Children	859 children
Summer Reading Event Attendance: Adults	65 adults

Senior Services

The City established a subrecipient agreement with the Community Services and Employment Training (CSET) organization to provide well-balanced meals, shelter from extreme summertime heat, and social programs for low-income seniors residing in Farmersville. CSET agreed to meet average annual service goals of 3,781 meals, 3,781 social interactions, and 100 monthly cooling visits during the summer. CSET achieved these expected levels of performance, as indicated by progress reports, participant attendance data and documents, and monitoring. An average of 36 seniors per month visited the Community Center for meals and programming during the final year of the grant term, with a total of 68 seniors enrolled to receive services under the CDBG grant.

The table below lists cumulative totals of the primary activities funded under the CDBG grant.

Senior Service Activity	Total Service Level (meals, visits, and participation)
Daily & Holiday Meals	9,173 meals
Cooling Visits	1,199 visits
Social Interactions – All Programs	9,173 participant engagements.

**Social Interactions account for the participation rate of each eligible senior. For example, a senior who participates in the arts & crafts program 3 separate days per week, would have a monthly social interaction total of 12 engagements.*

Youth Services

The City established a subrecipient agreement with the Boys and Girls Clubs of the Sequoias (Club) to deliver programming for eligible youth living in Farmersville. Programs provided by the Club at the Community Center focused on the following three areas as outlined in the subrecipient agreement: health and fitness; character and citizenship; and, academic enrichment. From March 2016 through the end of the grant term (e.g., October 2019), the Club expanded program offerings, gradually increased monthly attendance, and served a total of 414 youth. During the two full fiscal years within the grant term (e.g., 2017-18', 2018-19'), the Club had average monthly attendance rates of 73 and 98 youth. Together with total annual attendance of 870 youth in 2017-2018 and 1,074 youth 2018-2019, the Farmersville Club met subrecipient agreement service level goals.

Public Facility – Museum & Event Center

As a supplemental activity, the City used CDBG grant funds to install a new heating, cooling, and ventilation system, together with a new building security system, at the multi-purpose building located at 881 N. Farmersville Blvd., Farmersville, CA 93223. This facility improvement was executed with \$9,500 of the budgeted \$13,725 grant funds. A total of \$4,225 was unexpended.

Public Facility – Community Center

As a supplement activity, the City used CDBG grant funds to install a new hood, duct, and fire suppression system in the kitchen of the Community Center located at 623 N. Avery Avenue, Farmersville, CA 93223. This facility improvement project was executed with \$32,220 of the budgeted \$33,315 grant funds. A total of \$1,095 was unexpended.

PROGRAM INCOME ACTIVITY

Over the course of the grant term, the City received a total \$482,958 in program income. A total of \$297,996 was expended to assist homebuyers and \$153,682.25 was expended on the three (3) public services, and \$33,238 in administrative costs. At the time of grant expiration (e.g., October 31, 2019), the City had a program income balance of \$0.

Activity	Budget	Expended	Unexpended
Direct Homeownership Assistance	\$291,091.00	\$291,091.00	\$0.00
Activity Delivery – Homeownership Direct Assistance	\$24,892.00	\$24,892.00	\$0.00
Library Services	\$35,719.00	\$35,719.00	\$0.00
Senior Services	\$57,618.00	\$57,618.00	\$0.00
Youth Services	\$61,535.00	\$61,535.00	\$0.00
General Administration	\$35,425.00	\$35,425.00	\$0.00
Total	\$506,280.00	\$506,280.00	\$0.00

Homeownership Assistance Program

The City assisted nine (9) households achieve homeownership by using program income in the total amount of \$291,091. Five of these households received funding from both grant and program income (PI) sources. The key demographic information below accounts for those PI assisted program participants that did not receive grant funds.

Demographics:

• Households Participating / Owner Occupied	4
• Total Persons Assisted	16
• Households of Hispanic Heritage	4
• Farmworker Households	2

At grant closeout, the City will submit a package of required documents to HCD which includes a Closeout Certification Form and a Request to Disencumber Funds Letter. See Attachments.

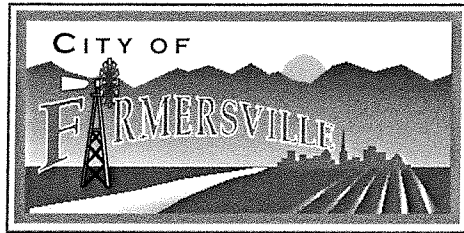
Residents are encouraged to comment in-person and/or submit written comments to the City, regarding any aspect this particular CDBG grant or the CDBG program overall. Residents may inspect the citizen participation supporting documents on file at City Hall. Write to or contact Jennifer Gomez, City Manager, at City Hall located at 909 W. Visalia Road, Farmersville, CA 93223.

FISCAL IMPACT:

There was no fiscal impact to the General Fund. Grant and program income funded all housing programs, public services activities, and public facility improvement projects.

ATTACHMENT(S):

1. Closeout Certification Form
2. Request to Disencumber Funds Letter



January 14, 2020

Douglas Colby
Department of Housing and Community Development
Community Development Block Grant Program
2020 West El Camino Avenue, Room 400
Sacramento, CA 95833

RE: CDBG Grant No. 14-CDBG-9900

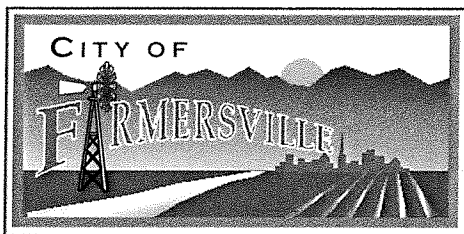
Please disencumber unused CDBG Grant Funds.

Program Activity	HUD Code	Budgeted Amounts	Amount To Be Disencumbered	Balance
Direct Homeownership Assistance	13	\$715,401	\$84,259.65	\$631,141.35
Activity Delivery – Direct Homeownership Assistance	13D	\$58,490	\$8,000.00	\$50,490.00
Rehabilitation: Single-Unit Residential	14A	\$148,347	\$0.00	\$148,347.00
Activity Delivery – Rehabilitation: Single-Unit Residential	14H	\$28,186	\$0.00	\$28,186.00
Public Services – Library	05	\$44,939	\$1,189.75	\$43,749.25
Senior Services	05A	\$98,708	\$0.00	\$98,708.00
Youth Services	05D	\$232,435	\$0.00	\$232,435.00
Public Facility – Museum & Event Center	03E	\$13,725	\$4,225.00	\$9,500.00
Public Facility – Community Center	03E	\$33,315	\$1,095.00	\$32,220.00
General Program Administration	21A	\$103,016	\$0.00	\$103,016.00
TOTAL		\$1,476,562	\$98,769.40	\$1,377,792.60

Please contact me at jgomez@cityoffarmersville-ca.gov or (559) 747-0458 if you have any questions.

Sincerely,

Jennifer Gomez
City Manager



Closeout Certification Form

Douglas Colby
California Department of Housing and Community Development
Division of Financial Assistance
Community Development Block Grant Program
2020 West El Camino Avenue, Suite 500
Sacramento, CA 95833

RE: **CLOSEOUT CERTIFICATION** of CDBG Grant No. **14-CDBG-9900**

It is hereby certified that all activities undertaken by the Grantee with funds provided under the above grant agreement have, to the best of my knowledge, been carried out in accordance with the grant agreement; that proper provision has been made by the Grantee for the payment of all costs and claims; that the State of California is under no obligation to make further payment to the Grantee under the grant agreement; and that every statement and amounts set forth in the **attached** final CDBG Financial and Accomplishment Report is, to the best of my knowledge, true and correct.

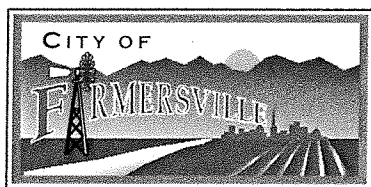
Any property acquired in whole or in part with CDBG funds or CDBG Program Income shall be accounted for in accordance with the provisions of Section 7118 and 7104 of the State CDBG regulations pertaining to property management and program income. Please list any property acquired in whole or in part with grant funds or program income expended for the grant or, if applicable, state "none" acquired. Please see Chapter 19, Property Management, in the Grants Management Manual for more detailed instructions.

Note: Future disposition of this property shall be carried out in accordance with Section 7118 of the State CDBG Regulations. Please see CFR 24 Sec. 570.505 Use of real property for instructions.

1.	4.
2.	5.
3.	6.

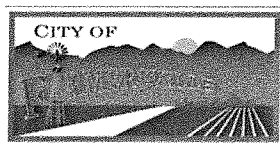
The Grantee shall continue to comply with the State CDBG program income reporting requirements.

All costs incurred subsequent to the most recent annual audit period will be audited at the time the Grantee's next annual audit is conducted in accordance with OMB Circular A-133.



The Grantee will resolve any audit findings relating to both the program and financial aspects of the grant. In the event there are any costs which are disallowed by this audit or any subsequent audits which cover CDBG expenditures, and which are sustained by the Department of Housing and Community Development, the amount of such costs shall be returned to HCD.

Date: January 14, 2020	Typed Name and Title of Authorized Grantee Representative: Name: Jennifer Gomez Title: City Manager	Signature of Authorized Grantee Representative:
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City Council

Staff Report 8B

TO: Honorable Mayor and City Council

FROM: Jennifer Gomez, City Manager

DATE: January 13, 2020

SUBJECT: Final Grant Expenditures and Accomplishments for 15-HOME-10895 Housing Programs

RECOMMENDED ACTION:

It is respectfully recommended that the City Council review final grant expenditures and accomplishments with the HOME Investment Partnerships Program (HOME) 15-HOME-10895; and authorize the City Manager to finalize and submit any remaining 15-HOME-10895 documentation and closeout the grant with the Department of Housing and Community Development (HCD).

BACKGROUND and DISCUSSION:

The purpose of this review is to facilitate public understanding and comments on the following subjects:

- Final Grant Expenditures and Accomplishments on the 2015 HOME grant: First-Time Homebuyer Program; Owner-Occupied Rehabilitation Program (15-HOME-10895);
- Program Income Expenditures associated with the 2015 HOME grant (15-HOME-10895);

2015 HOME GRANT ACTIVITIES (15-HOME-10895)

The City received a grant award of \$500,000 from the Department of Housing and Community Development (HCD) HOME Program to implement a city-wide First-Time Homebuyer Program and an Owner-Occupied Rehabilitation program. The grant budget consisted of \$243,750 for the Homebuyer Program, \$243,750 for the Owner-Occupied Rehabilitation Program, and \$12,500 for General Administration of the grant. The City received approval from HCD to transfer funds between housing program activities under the 15-HOME-10895 grant. The amended activity amounts are listed in the table below and the grant term expired on December 31, 2019.

Activity	Budget	Expended	Unexpended
First-Time Homebuyer Program	\$455,849.00	\$403,894.00	\$51,955.00
Owner-Occupied Rehabilitation	\$31,651.00	\$31,651.00	\$0.00
General Administration	\$12,500.00	\$12,500.00	\$0.00
Total	\$500,000.00	\$448,045.00	\$51,955.00

First-Time Homebuyer Program

The City helped seven (7) households achieve homeownership with gap financing and activity delivery expenses in the total amount of \$403,894. Key demographic information collected on program participants includes:

- Households Participating / Owner Occupied 7
- Total Persons Assisted 23
- Households of Hispanic Heritage 6
- Female Head of Household 2
- Farmworkers 5

Owner-Occupied Rehabilitation Program

The City provided the necessary financing to complete improvements to the homes of two (2) Farmersville households. Only one (1) of these households received 15-HOME-10895 grant funding. The City expended a total of \$31,651 grant funds and utilized program income for the other rehabilitation project. Key demographic information collected on both program participants includes:

- Households Participating / Owner Occupied 2
- Total Persons Assisted 6
- Households of Hispanic Heritage 2
- Farmworkers 1

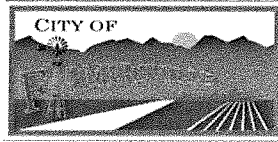
PROGRAM INCOME ACTIVITY

A total of \$78,960 was received in program income (PI) during the grant term. The City used PI to fund first-time homebuyer and owner-occupied rehabilitation projects. To support three (3) households with homeownership costs, the City expended \$5,559 in PI. And as previously noted, the City helped one (1) household execute home repairs and improvements by expending a total of \$59,985 in PI. At the time of the grant's expiration (e.g., December 31, 2019), the City had a program income balance of \$9,657.00.

Residents are encouraged to comment in-person and/or submit written comments to the City, regarding any aspect this particular HOME grant or the HOME program overall. Residents may inspect the citizen participation supporting documents on file at City Hall. Write to or contact Jennifer Gomez, City Manager, at City Hall located at 909 W. Visalia Road, Farmersville, CA 93223.

FISCAL IMPACT:

No fiscal impact to the General Fund. The City utilized only grant and program income funding to operate all housing activities.



City Council

Staff Report 8C

TO: Honorable Mayor and City Council

FROM: Jennifer Gomez, City Manager

DATE: January 13, 2020

SUBJECT: Select a Nominee for the Alternate Transit Representative on the Tulare County Association of Governments Board

RECOMMENDED ACTION:

It is recommended that the City Council vote and select a nominee for the vacant position.

BACKGROUND and DISCUSSION:

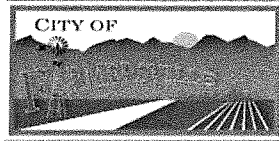
There is currently a vacancy on the Tulare County Association of Governments Board for the Alternate Transit Representative that must be filled by a City elected official in which the city manages their own transit program. Qualified cities were notified of the vacancy and interest from elected officials was sought resulting in the following nominees:

Virginia Gurrola, Council Member, City of Porterville
Brian Poochigian, Council Member, City of Visalia

This position will fill an unexpired term ending June 30, 2020.

Per the process adopted by the Council of Cities, each city will vote to select a nominee. The candidate that receives the most votes from the cities will be appointed as the alternate. If the votes result in a tie, then the final decision will be made by the Council of Cities.

The deadline to submit the City Council's nominee is January 15, 2020.



City Council

Staff Report 8C

TO: Honorable Mayor and City Council

FROM: Jennifer Gomez, City Manager

DATE: January 13, 2020

SUBJECT: Select a Nominee for the Alternate Transit Representative on the Tulare County Association of Governments Board

RECOMMENDED ACTION:

It is recommended that the City Council vote and select a nominee for the vacant position.

BACKGROUND and DISCUSSION:

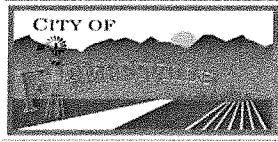
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Per the process adopted by the Council of Cities, each city will vote to select a nominee. The candidate that receives the most votes from the cities will be appointed as the alternate. If the votes result in a tie, then the final decision will be made by the Council of Cities.

The deadline to submit the City Council's nominee is January 15, 2020.



City Council

Staff Report 8E

TO: Honorable Mayor and City Council

FROM: Steve Huntley, Director of Finance & Administration

DATE: January 13, 2020

SUBJECT: Annual review and adoption of the City Investment Policy by Resolution.

RECOMMENDED ACTION:

Consider adopting the City's revised Investment Policy by Resolution 2020-001.

BACKGROUND:

Government Code section 53646(a) requires that a public entity's investment policy be reviewed annually by the governing body or an investment committee. The City's current investment policy and the new proposed policy are both attached for Council's review. Best practices for a City's investment policy are established by the Government Finance Officer's Association (GFOA) which cohesively combines various applicable laws and regulatory suggestions into an example policy. As staff reviewed these best practices, and other investment policies from Cities around the State and Nation, and compared them to the City's existing policy, it was determined that it the City was overdue for a amendment of the policy to more closely align to Government Code and best practices.

DISCUSSION:

According to the GFOA best practices for investment policies:

An investment policy describes the parameters for investing government funds and identifies the investment objectives, preferences or tolerance for risk, constraints on the investment portfolio, and how the investment program will be managed and monitored. The document itself serves as a communication tool for the staff, elected officials, the public, rating agencies, bondholders, and any other stakeholders on investment guidelines and priorities. An investment policy enhances the quality of decision making and

demonstrates a commitment to the fiduciary care of public funds, making it the most important element in a public funds investment program.

In addition, GFOA recommends that all governments establish a comprehensive written investment policy that includes the following subject areas:

- **Scope and investment objectives:** Tailor the scope and investment objectives to the type of investment to which the policy applies (e.g., excess operating funds, bond proceeds, pension fund assets).
- **Roles, responsibilities, and standards of care:** Identify the roles of all persons involved in the investment program by title and responsibility. Standards of care should include language on prudence (i.e., the prudent person rule), due diligence, ethics and conflicts of interest, delegation and authority, and knowledge and qualifications.
- **Suitable and authorized investments:** Include guidelines on selecting investment types, investment advisors, interest rate risk, maturities, and credit quality, along with any collateralization requirements.
- **Investment diversification:** State the government's approach to investment diversification, identifying the method that will be used to create a mix of assets that will achieve and maintain the government's investment objectives.
- **Safekeeping, custody, and internal controls:** Develop guidelines to enhance the separation of duties and reduce the risk of fraud.
- **Authorized financial institutions, depositories, and broker/dealers:** Establish a process for creating a list of financial institutions, depositories, and broker/dealers that will provide the primary services necessary for executing the investment program.
- **Risk and performance standards:** Establish one or more appropriate benchmarks against which the portfolio should be measured and compared.
- **Reporting and disclosure standards:** Define the frequency of reporting to the governing body and the government's management team.

There are separate best practice recommendations from GFOA related to collateralization of Public Deposits, Diversify the Investment Portfolio, Government Relationships with Securities Dealers, and Investment and Management of Bond Proceeds all of which are appropriately met in this revised policy, attached.

Finally, Staff has contacted current staff of the GFOA Standing Committee on Treasury & Investment Management for assistance in modifying the investment policy and have applied their feedback in the attached policy.

As a result, the attached policy is, in staff's opinion, not only the most appropriate for the City of Farmersville at this time, but also represents a cohesive collaboration of best practices, the latest government investment information, up-to-date compliance efforts, and the start of a new level of reporting and transparency regarding City investments.

The improved format is also designed to assist those unfamiliar with investing, as well as the limitations and mandate of government investing, a way of better understanding the full scope and responsibilities implied in the investment process of the City.

Attached Documents: 3

- 1) City of Farmersville Investment Policy
- 2) Resolution 2020-001 Annual Statement of Investment Policy
- 3) Investment Policy & Resolution 2004-26

RESOLUTION 2020-001

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE ADOPTING THE ANNUAL STATEMENT OF INVESTMENT POLICY

WHEREAS, on May 24th, 2004 the City Council of the City of Farmersville reviewed and adopted the City of Farmersville's Investment Policy; and

WHEREAS, the revised policy and report has been presented to the Council requesting adoption of the annual Statement of Investment Policy; and

WHEREAS, the authority governing investments for California local agencies is set forth in the California Government Code, Sections 53601 et. Seq.; and

WHEREAS, the Statement of Investment Policy describes the investment of City funds in compliance with the Municipal Code and State law; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Farmersville, California, hereby resolve as follows:

1. The annual Statement of Investment Policy attached hereto as "Exhibit A" has been reviewed in a public meeting and is hereby adopted.
2. Pursuant to Government Code Sections 53601 et. Seq., the City of Farmersville City Council hereby authorizes and directs the City Treasurer / Chief Financial Officer (Director of Finance and Administration) to invest funds not required for the immediate necessities of the City in accordance with the attached Investment Policy and to do all things necessary to implement said Investment Policy.

PASSED, ADOPTED AND APPROVED this 13th day of January, 2020 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

GREGORIO GOMEZ
MAYOR of the City of Farmersville

ATTEST:

ROCHELLE GIOVANI – CITY CLERK

Resolution 2004-26
CITY OF FARMERSVILLE
STATEMENT OF INVESTMENT POLICY

PURPOSE

This Statement is intended to provide guidelines for the prudent investment of the City's temporary idle cash, and outline the policies for maximizing the efficiency of the City's cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled cash.

OBJECTIVE

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain the highest yield obtainable as long as the investments meet the criteria established for safety and liquidity.

POLICY

The City of Farmersville operates its temporary pooled idle cash investments under the prudent investor rule as generally described in California Probate Code section 16045, et. seq. The prudent man rule states, in essence, that "in investing... property for the benefit of another, a trustee shall exercise the judgment and care, under the circumstances then prevailing, which men of prudence discretion and intelligence exercise in the management of their own affairs...." This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California. Government Code (section 53601) restricts the City from purchasing investments securities with a maturity length greater than five years unless prior legislative approval is given.

Investment may be made in the following media and as specifically outlined under Government Code Section 53601:

- U. S. Treasury issues.
- Federal Agency Issues
- Bonds, Notes
- Commercial Paper
- Bankers Acceptances
- Certificates of Deposits
- Repurchase Agreements and Reverse Repurchase Agreements
- Local Agency Investment Fund Demand Deposit (State Pool)
- Passbook Savings Account Demand Deposit
- Central San Joaquin Valley Risk Management Pooled Investment Fund

Criteria for selecting investments and the order of priority are:

1. **Safety**: The safety and risk associated with an investment refers to the potential loss of principal, interest of a combination of these amounts. The City only operates in those investments that are considered very safe.
2. **Liquidity**: This refers to the ability to "cash in" at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality especially when the need for unexpected funds occurs occasionally.
3. **Yield**: Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return.

SAFEKEEPING:

~~Securities purchased from brokers/dealers shall be held in third party safekeeping by the trust department of the local agency's bank or other designated third party trust, in local agency's name and control, whenever possible.~~ All securities purchased by City of Farmersville will be properly designated as an asset of the City of Farmersville and may be held in safekeeping by the bank/broker dealer provided written confirmation of the purchase (type of security, date of issuance, yield to maturity, and cost) is received by the City within 2 business days.

INVESTMENT OBJECTIVE:

The cash management system of the City of Farmersville is designed to accurately monitor and forecast expenditures and revenues, thus insuring the investment of monies to the fullest extent possible. The cash management system should attempt to obtain highest interest yields possible as long as investments meet the criteria required for safety and liquidity.

CITY CONSTRAINT:

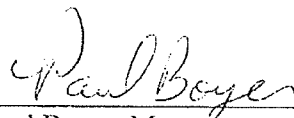
The City of Farmersville operates its pooled idle cash investments under the prudent investor rule as generally described in California Probate Codes section 16045, et. seq. This affords a broad spectrum of investment opportunities so long as the investment is deemed prudent and is permissible under currently effective legislation of the State of California and other imposed legal restrictions.

The City strives to maintain the level of investment of all idle funds as near 100% as possible, through daily and projected cash flow determinations. Idle cash management and investment transactions are responsibility of the City Treasurer and Finance Officer.

The basic premise underlying the City's investment philosophy is, and will continue to be, to insure that money is always safe and available when needed.

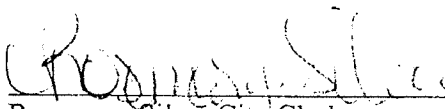
This foregoing resolution is hereby approved this 24th day of May, 2004, by the following vote:

AYES: Ferguson, Rowlett, Benavides, Santana, Boyer
ABSTAIN: None
NOES: None
ABSENT: None



Paul Boyer, Mayor

ATTEST:



Rosemary Silva, City Clerk

City of Farmersville Investment Policy

I. Governing Authority

Legality

The investment program shall be operated in conformance with governing legislation and other legal requirements laid out in section 2.04 of the Farmersville Municipal Code regarding the position of Treasurer / Chief Financial Officer and California Government Code Section 53601.

II. Scope

This policy applies to the investment of all funds, excluding the investment of employees' retirement funds.

1. *Pooling of Funds*

Except for cash in certain restricted and special funds, the City of Farmersville will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Also, per SEC Rule 15B (Municipal Advisor Rule), the policy must clearly state whether or not the cash being pooled/invested includes municipal bond proceeds or not.

Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. General Objectives

The primary objectives of investment activities shall be safety, liquidity, and return:

1. *Safety*

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

The City of Farmersville will minimize credit risk, which is the risk of loss of all or part of the investment due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in Section VII of this Investment Policy
- Pre-qualifying and conducting ongoing due diligence of the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section V
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk

The City of Farmersville will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that security maturities match cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting individual security maturity as well as the average maturity

of the portfolio in accordance with this policy (see section VIII).

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity).

Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

3. Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal;
- Selling a security and reinvesting the proceeds that would improve the quality, yield, or target duration in the portfolio may be undertaken;
- Unanticipated liquidity needs of the portfolio require that the security be sold.

IV. Standards of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "uniform prudent investor act" standard and shall be applied in the context of managing an overall portfolio. The Investment Officer acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business, in accordance with applicable laws (City's Conflict of Interest Policies, California Government Code section 1090, and the California Political Reform Act). They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Farmersville.

3. Delegation of Authority

Authority to manage the investment program is granted to the Chief Financial Officer / Treasurer and derived from City of Farmersville Municipal Code section 2.04 and California Government Code

53601. Responsibility for the operation of the investment program is hereby delegated to the Chief Financial Officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. At a minimum, procedures should include references to the following: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

V. Authorized Financial Institutions, Depositories, and Broker/Dealers

1. Authorized Financial Institutions, Depositories, and Broker/Dealers

A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by creditworthiness and/or other factors, such as FINRA broker check.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties)
- Proof of state registration
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
- Certification of having read and understood and agreeing to comply with the [entity's] investment policy.
- Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Chief Financial Officer.

2. If a third party investment advisor is authorized to conduct investment transactions on the City's behalf, the investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to City upon request. In selecting financial institutions for the deposit or investment of City funds, the credit rating of these institutions will be considered. These financial institutions shall be authorized to provide investment services in California.

VI. Safekeeping and Custody

1. Delivery vs. Payment

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible custody account prior to the release of funds.

2. Safekeeping

Securities will be held by an independent third-party custodian selected by the city as with all securities held in the City's name (centralized, if possible). The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

3. Internal Controls

The Chief Financial Officer shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed annually by the investment committee, where present, and with the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, mis-representation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City.

VII. Suitable and Authorized Investments

1. Investment Types

Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices, California State Law, and other binding documents, the following investments will be permitted by this policy and in the following proportions:

Investment Type	Maximum % or \$	Maximum Maturity	Minimum Required Rating
Bank / Time Deposits	None	5 years	N/A
U.S. Treasuries	None	5 years	N/A
U.S. Agencies	None	5 years	N/A
Money Market Funds	20% (10% with one mutual fund)	N/A	N/A
Bankers Acceptances	30% (5% with one bank)	180 days	A1/P1
Commercial Paper	25% (5% with one firm)	270 days	A1/P1
Negotiable CDs	30% (5% with one bank)	5 years	A < 1 year AA < for 1-5 years
CDs non-negotiable CDARS	30% (5% with one bank)	3 years	N/A
Municipal Obligations	5% with on Agency	5 years	A (except City's own bonds)
Medium Term Notes	30%	5 years	A
Supranationals	2%	5 years	AAA
LAIF (State Pool)	Per State Statute	N/A	N/A
CSJVRMA Pool	None	N/A	N/A

Investment in derivatives of the above instruments shall require authorization by the appropriate governing authority.

It is the intent that investments shall be managed in such a way that any market price losses resulting from interest-rate volatility would be offset by coupon income and current income received from the overall portfolio over market cycles. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

Pursuant to Government Code Section 53601 et seq. the City may only invest in the following security types (See the Glossary section for a detailed description of each of these investment types):

A. U.S. Government Treasury Bills and Notes

B. U.S. Government Sponsored Enterprise Debt (GSE's) (known as Agencies)

- C. **Certificates of Deposit** (non-negotiable) (CDs) – The City is authorized to use of private CD placement services by local agencies. This investment policy allows for the use of a placement service called the Certificate of Deposit Account Registry Service (CDARS), which acts as the

master custodian for the placement of CDs. Through the use of this placement service, local banks that work with CDARS place one investment by the City and divide the deposit into individual CDs not to exceed \$250,000, so that each individual CD is fully insured by the FDIC.

- D. **Bankers Acceptances (BA)** – with an A1/P1 rating as provided for by a nationally recognized statistical-rating organization (NRSRO).
- E. **Commercial Paper** - Prime commercial paper with an A1/P1 rating as provided for by a NRSRO. Purchases must be limited to corporations organized and operating within the United States, and as a practical matter generally only those corporations operating within the State of California, having total assets in excess of \$500 million, and having an "A" or higher rating for the issuer's debentures, other than commercial paper (as-provided by Moody's or Standard and Poor's rating services). In addition, purchases may not represent more than ten percent (10%) of the outstanding paper of an issuing corporation.
- F. **State of California Local Agency Investment Fund (LAIF)**
- G. **Central San Joaquin Valley Risk Management Authority Pooled Investment Account (CSJVRMA)**
- H. **Domestic money market mutual funds** – These must be registered with the Federal Securities and Exchange Commission (SEC), have over \$500 million in total assets, be rated in the highest rating category by two nationally recognized rating services and only invest in:
 - a. U.S. Government or federal agency securities and repurchase agreements,
 - b. Tax exempt obligations or other investment instruments specifically included in the local investment policy
- I. **Negotiable Certificates of Deposit** - Must be issued by a nationally or state chartered bank or savings and loan association, or by a state licensed branch of a foreign bank.
- J. **Medium Term Corporate Notes** - Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the United States or any state and operating within the U.S. Must be rated "A" or better by a NRSRO.
 - a. If a corporate note owned by the City is downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such a corporate note in the portfolio.
 - b. If a security is downgraded two grades below the level required by the City, the security shall be sold immediately.
 - c. If a security is downgraded one grade below the level required by this policy and matures within 6 months, the security will be held to maturity. The Chief Financial Officer may determine to sell the security if it is determined that there is a probability of default prior to maturity. If a decision is made to retain the security in the portfolio, its presence in the portfolio will be monitored and reported quarterly to the City Council.
- K. **Municipal Obligations** – Must be rated "A" or better by a nationally recognized rating agency except for the City's own bonds and bonds issued by the City's former Redevelopment Agency and its Financing Authority, which may have any rating. Municipal Obligations include the following:
 - i. Registered state warrants or treasury notes or bonds of the State of California and bonds, notes, warrants, or other evidences of indebtedness of any local agency

within California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the state or local agency or by a department or agency of the state or local agency.

- ii. Registered treasury notes or bonds of any of the 49 U.S. States in addition to the State of California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 U.S. States, in addition to California.

L. ***Supranationals*** - Must be rated "AAA" or better by a nationally recognized rating

- a. agency and is U.S. dollar denominated senior unsecured unsubordinated obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank.

2. ***Collateralization***

Where allowed by governing legislation and in accordance with the GFOA Recommended Practices on the Collateralization of Public Deposits, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit (at least 102% per California Government Code).

3. ***Repurchase Agreements***

Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements and California Government Code.

VIII. Investment Diversification & Constraints

1. ***Diversification***

It is the policy of the City of Farmersville to diversify its investment portfolios. To eliminate risk of loss resulting from the overconcentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all City of Farmersville funds shall be diversified by maturity, issuer, and security type. Diversification strategies shall be determined and revised periodically by the investment committee/investment officer for all funds except for the employee retirement fund.

In establishing specific diversification strategies, the following general policies and constraints shall apply: Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.

- Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury bills.
- Positions in securities having potential default risk (e.g., commercial paper) shall be limited in size so that in case of default, the portfolio's annual investment income will exceed a loss on a single issuer's securities.
- Risks of market price volatility shall be controlled through maturity diversification and duration management.
- The Chief Financial Officer shall establish strategies and guidelines for the percentage of the total portfolio that may be invested in securities other than repurchase agreements, Treasury bills, or collateralized certificates of deposit. The Chief Financial

Officer shall conduct a quarterly review of these guidelines and evaluate the probability of market and default risk in various investment sectors as part of its considerations.

The following diversification limitations shall be imposed on the portfolio:

Any security type or structure not specifically approved by this policy and investment instructions is specifically prohibited. Security types, which are thereby prohibited to be purchased as defined by Government Code Section 53601.6 include, but are not limited to:

- a) Complex derivative structures such as range notes, inverse floaters, or any other complex variable rate or structure note.
- b) Interest-only strips that are derived from a pool of mortgages (i.e. Collateralized Mortgage Obligations), or any security that could result in zero interest accrual if held to maturity.
- c) Mortgage and asset backed securities, and trade in options or future contracts.

2. Maximum Maturities

To the extent possible, the City of Farmersville shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with governing legislation. The City shall adopt weighted average maturity limitations consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be segregated into a long-term "core" investment portfolio and invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds as allowed by State law. The intent to invest in securities with longer maturities shall be disclosed in writing to the legislative body.

3. Competitive Bids

The Chief Financial Officer shall obtain competitive bids from at least three brokers or financial institutions on all purchases and sales of investment instruments transacted on the secondary market when practicable.

IX. Reporting

1. Methods

The Chief Financial Officer shall prepare an investment report monthly, according to California government code section 53607 and 53646(b) relative to the investment holdings and investment activity of the City.

The report shall include a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy.

The report will be provided to the City Manager, City Clerk, and the City Council. The report will include the following:

- Listing of individual securities held at the end of the reporting period including type, acquisition cost, book cost, and market value.
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until

- maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements).
- Average weighted return on investments as compared to applicable benchmarks.
- Percentage of the total portfolio which each type of investment represents.
- A statement that the investment portfolio is in compliance with the investment policy and is meeting the investment policy objectives

2. *Performance Standards*

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. An appropriate benchmark(s) shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmarks shall have a similar weighted average maturity as the portfolio.

3. *Marking to Market*

The market value of the portfolio shall be calculated monthly and a statement of the market value of the portfolio shall be issued monthly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools."

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments", as of June 30th of each Fiscal Year the City will report all investments in excess of one year at market value. Any change in the value of the investments will be recognized annually, as a part of interest income.

X. Policy Considerations

1. *Amendments*

This policy shall be reviewed on an annual basis. Any changes must be submitted by the investment officer and approved by the investment oversight committee or authoritative body acting in such capacity.

XI. Approval of Investment Policy

The investment policy shall be formally approved and adopted by the City Council and reviewed annually.

XII. Glossary

A

Accrued Interest: Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery.

Agencies: Federal agency securities and/or Government-sponsored enterprises. These include securities of government agencies such as, but not limited to: Federal National Mortgage Association (FNMA); Federal Home Loan Bank (FHLB); Government National Mortgage Association (GNMA); Community Development Corporation (CDC), Small Business Association (SBA), Federal Farm Credit Bank (FFCB) and Federal Home Loan Mortgage Corporation (FHLMC).

Arbitrage: Transactions by which securities are bought and sold in different markets at the same time for the

sake of the profit arising from a yield difference in the two markets. The 1986 Tax Reform Act made this practice by municipalities illegal solely as a borrowing tactic, except under certain safe-harbor conditions.

Asked: The price at which securities are offered.

Asset Backed Securities: Securities that are supported by pools of assets, such as installment loans or leases, or by pools of revolving lines of credits. Asset-backed securities are structured as trusts in order to perfect a security interest in the underlying assets.

B

Bank Deposits: To deposit collateral in the form of currency that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

Bank Notes: A senior, unsecured, direct obligation of a bank or U.S. branch of a foreign bank.

Bankers' Acceptance (BA): These are bills of exchange or time drafts drawn on, and accepted by, commercial banks in the top 100 of the world, which are eligible for purchase by the Federal Reserve System. Acceptance of the draft obligates the bank to pay the bearer the face amount of the draft at maturity. In addition to the guarantee by the accepting bank, the transaction is secured with a specific commodity. The sale of the underlying goods will generate the funds necessary to liquidate the indebtedness. BAs are usually created to finance the import and export of goods, the shipment of goods within the United States and the storage of readily marketable staple commodities. BAs are sold at a discount from par and the amount and maturity date are fixed.

Basis Point: Refers to the yield on bonds. Each percentage point of yield in bonds equals 100 basis points (1/100% or 0.01%). If a bond yield changes from 7.25% to 7.39% that is an increase of 14 basis points.

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid: The price offered by a buyer of securities. When you are selling securities, you ask for a bid. See Offer.

Bond Proceeds: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

Bonds: A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.

Book Entry: The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment).

Book Value: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of any premium or discount.

Broker: A broker assists in the buying and selling of investments together for a commission.

C

Call Price: The price at which an issuer may redeem a bond before maturity

Callable Bond: A bond issue in which all or a part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions

CALTRUST: a Joint Powers Authority created by public agencies to provide a convenient method for public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and oversees the activities of the investment manager and other agents.

CD Placement Service: A private cd placement service that allows local agencies to purchase more than \$250,000 in cds from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS (Certificate of Deposit Account Registry System) is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

Central San Joaquin Valley Risk Management Authority Pooled Investment Account (CSJVRMA): CSJVRMA is a money market portfolio created for the 54 member Public Agencies of the CSJVRMA. Similar to LAIF, this pool provides daily liquidity, money market returns and unlimited number of deposits and withdrawals. CSJVRMA pool may hold a broader range of securities that would not be eligible under the City investment criteria. Since CSJVRMA pool is subject to different statutory investment provisions, any such variances in their holdings are acceptable under this policy

Certificate Of Deposit (CD): A time deposit with a maturity evidenced by a certificate See "Non-Negotiable" and "Negotiable" Certificate of Deposit. Large-denomination CDs are typically negotiable.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Unsecured promissory notes issued to finance short term credit needs, with maturities ranging from 2 to 270 days. Unsecured promissory notes are issued to finance short term credit needs. The paper must be of "prime" quality of the highest ranking, or of the highest letter and numerical rating as provided by Moody's or Standard & Poor's. Eligible paper is further limited to issuing corporations that are organized and operate within the United States, have total assets in excess of \$500 million, and have an 'A1-P1' rating for its debt from Moody's or Standard & Poor's.

Comprehensive Annual Financial Report (CAFR): The official annual report for the City. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

Corporate Notes And Bonds: Debt instruments, typically unsecured, issued by corporations, with original maturities in most cases greater than one year and less than ten years. Medium term notes (MTN) are unsecured, corporate and depository institution debt obligations. Allowable medium term notes must be issued by corporations organized and operating within the United States (U.S.) or by depository institutions licensed by the U.S. or any state and operating within the U.S. MTNs must be rated "A" or better by Moody's or Standard and Poor's.

Coupon: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value and (b) a certificate attached to a bond evidencing interest due on a payment date.

Credit Rating: Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor's and Fitch Ratings use the same system, starting with their highest rating, of AAA, AA, A, BBB, BB, B, CCC, CC, C, and D for default. Moody's Investors Service uses Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D. Each of the services use pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The top four letter categories are considered investment grade ratings.

Credit Risk: The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of a corporation's credit will cause the market value of a security to fall, even if default is not expected.

CUSIP Number: The Committee on Uniform Security Information Procedures (CUSIP) Number refers to a security's identification number assigned to each publicly traded security by the CUSIP Service Bureau operated by Standard & Poor's for the American Bankers Association. The CUSIP Number is a nine-character identifier unique to the issuer, the specific issue and the maturity, if applicable (the first six characters identifying the issuer, the next two identifying the security and the last digit provides a check digit to validate the accuracy of the preceding CUSIP number).

Custodian: A bank or other financial institution that keeps custody of stock certificates and other assets.

D

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions; buying and selling for his/her own account.

Debenture: A bond secured only by the general credit of the issuer.

Defeased Bond Issues: Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

Delivery Versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives: Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or financial contracts based upon amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Discount: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price after sale is considered sold at a discount.

Discount Securities: Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns

Duration: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a

change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

E

Effective Duration: A measure of the price sensitivity of fixed-income investments, especially for those with embedded option features such as call options. As yields rise, the effective duration of a callable investment rises to reflect the fact that it has become less likely to be called. The more rates rise, the longer the effective duration will become, approaching the duration to maturity. The converse is true in a declining interest rate environment (that is, the more rates fall, the shorter the effective duration will become, approaching the duration to call). For securities without an embedded option, the duration to call, maturity, and effective duration are all the same.

Extendable Notes: Securities with maturity dates that can be extended by mutual agreement between the issuer and investor. When investing in these types of securities, the maturity date plus the stated extendable option must not exceed the time frames that are allowed in California Government Code or the investment policy for the investment type.

F

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., banks, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, up to \$250,000 per deposit.

Federal Funds Rate: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac): A United States government sponsored corporation.

Federal National Mortgage Association (FNMA or Fannie Mae): FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, is a private stockholder-owned corporation and its purchases include a variety of mortgages and second loans, in addition to fixed rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Fiduciary: A person who holds something in trust for another and bears liability for its safekeeping.

First Tier Securities: Securities that have received short-term debt ratings in the highest category from the requisite nationally recognized statistical-rating organizations (NSROS), or are comparable unrated securities, or are issued by money market funds, or government securities. [See sec Rules: Paragraph (a)(12) of rule 2a-7]

G

Government Accounting Standards Board (GASB): A standard-setting body, which prescribes standard accounting practices for governmental units.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

Guaranteed Investment Contracts (GICS): An agreement acknowledging receipt of funds for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest.

H-K

Interest: The amount a borrower pays to a lender for the use of his or her money.

Interest Rate Risk: The potential for a decline in bond prices and the market value of bonds in the portfolio, due to rising market interest rates. In general, bond prices vary inversely with interest rates. The change in a bond's price depends on several factors, including its maturity date. In general, bonds with longer maturities are more sensitive to changes in interest rates than bonds with shorter maturities. Similarly, bond funds with longer average portfolio maturities, such as the CalTRUST Medium-Term and Long-Term Accounts, will be more sensitive to interest rate changes than those with shorter average portfolio maturities, such as the CalTRUST Short-Term account.

Investment Agreements: Investment agreements are contracts with respect to funds deposited by an investor. Investment agreements are often separated into those offered by banks and those offered by insurance companies. In the former case, they are sometimes referred to as "bank investment contracts."

L

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Liquidity Risk: The chance that a security, sold prior to maturity, will be sold at a loss of value. For a local agency, the liquidity risk of an individual investment may not be as critical as how the overall liquidity of the portfolio allows the agency to meet its cash needs.

Local Agency Investment Fund (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment. LAIF was created in the

California State Treasury by Section 17429 GC. LAIF holds local government funds in trust in a state investment pool in order to provide safety, liquidity and the benefits of the investment pool yield for local government entities invested in LAIF.

M

Market Risk: The price at which a security is trading and could be presumably be purchased or sold.. In general, as interest rates fall, prices of fixed income securities rise. Similarly, as interest rates rise, prices fall. Market risk also is referred to as systematic risk that affects all securities within an asset class similarly.

Market Value: The price at which a security is trading and could presumably be purchased or sold on a specific date.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded. Rule 2a-7 of the Investment Company Act applies to Money Market Funds, which mandates these funds to maintain certain standards, including a 13 month maturity limit and a 90 day average maturity on investments, to maintain a constant net asset value of \$1.00.

Mortgage Backed Securities (MBS): Mortgage-backed securities (MBS) are created when a mortgagee or a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interests or participations in the pool. MBS owners receive a prorata share of the interest and principal cash flows (net of fees) that are "passed through" from the pool of mortgages. MBS are complex securities whose cash flows are determined by the characteristics of the mortgages that are pooled together. Investors in MBS face prepayment risk associated with the option of the underlying mortgagors to pre-pay or payoff their mortgage. Most MBS are issued and/or guaranteed by federal agencies and instrumentalities (e.g., Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC)).

Mortgage Pass-Through Obligations: Securities that are created when residential mortgages (or other mortgages) are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Funds: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

N

National Association Of Securities Dealers (NASD): A self-regulatory organization (SRO) of brokers and dealers in the over the counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Nationally Recognized Statistical Rating Organizations (NSROs): Credit rating agencies whose ratings are permitted to be used for regulatory purposes such as Securities and Exchange Commission.

Negotiable Certificate Of Deposit (NCD): A large denomination certificate of deposit which can be sold in the open market prior to maturity. Generally, it is a short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable cds mature within six months, while the average maturity is two weeks. Negotiable cds are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). These instruments are supported only by the strength of the institution issuing them.

Net Asset Value (NAV): A term used in the mutual fund industry to determine the average price per share of a pool or mutual fund. How this measure varies over time provides information on whether the pool is stable or variable. NAV is the market value of all securities in a mutual fund, less the value of the fund's liabilities, divided by the number of shares in the fund outstanding. Shares of mutual funds are purchased at the fund's offered NAV.

Net Present Value: An amount that equates future cash flows with their value in the present terms.

Non-Negotiable Certificates Of Deposit: Funds deposited in nationally or state chartered bank or state or federal association for a specified period of time at a specified rate of interest. The first \$250,000 is guaranteed by the Federal Deposit Insurance Corporation (FDIC) for banks, the Federal Savings and Loan Insurance Corporation (FSLIC) for savings and loan associations and the National Credit Union Share Insurance Fund (NCUSIF) for credit unions. CDs with a face value in excess of \$250,000 must be collateralized at 110% of market value with pledged securities of the bank.

Note: A written promise to pay a specified amount to a certain entity on demand or on a specified date. Usually bearing a short-term maturity of a year or less (though longer maturities are issued—see "Medium-Term Note").

O

Offer: The price asked by a seller of securities. When you are buying securities, you ask for an offer. See Asked and Bid.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Options: A contract that gives the buyer the right to buy or sell an obligation at a specified price for a specified time. Exchange Traded Options are standardized option contracts that are actively traded on the Chicago Board of Exchange on a daily basis, whereas over the counter options are traded directly between the buyer and seller at agreed upon prices and conditions (the former type of option is therefore more liquid than the latter).

P-Q

Par Amount Or Par Value: The principal amount of a note or bond which must be paid at maturity. Par, also referred to as the “face amount” of a security, is the principal value stated on the face of the security. A par bond is one sold at a price of 100 percent of its principal amount.

Portfolio: Collection of securities held by an investor.

Premium: The amount by which the price paid for a security exceeds the security's par value. Investors pay a premium to purchase a security when the return to the investor (yield) is lower than the stated coupon (interest rate) on the investment.

Price: Price is the amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include the Securities and Exchange Commission (SEC), registered securities broker-dealers and banks.

Principal: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an “official statement”).

Prudent Person Rule: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state, the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking an income and preservation of capital.

Qualified Public Depositories: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

R

Rate Of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity, on a bond it is the current income return.

Reverse Repurchase Agreements: An agreement of one party (for example, a financial institution) to purchase securities at a specified price from a second party (such as a public agency) and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Repurchase Agreement (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. One exception is when the Federal Reserve is said to be doing RP, it is lending money that is increasing bank reserves.

Risk: The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.

Rule G-37 Of The Municipal Securities Rulemaking Board: Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities.

S

Safekeeping: A service to customers rendered by banks for a fee, whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Safety: In the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15C3-1: See Uniform Net Capital Rule.

Settlement Date: The date when a trade is cleared by delivery of securities against funds

Structured Notes: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, FHLB, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, and derivative based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

Swap: A swap is any financial transaction that involves the simultaneous purchase of a security and the sale of another for the purpose of enhancing an investor's portfolio. Swap transactions of interest to California public investors include portfolio swaps and interest rate swaps.

T

Tax And Revenue Anticipation Notes (TRANS): Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

Time Deposits: Issued by depository institutions against funds deposited for a specified length of time. Time deposits include instruments such as deposit notes. They are distinct from certificates of deposit (CDs) in that interest payments on time deposits are calculated in a manner similar to that of corporate bonds, whereas interest payments on CDs are calculated similar to that of money market instruments.

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months to one year.

Treasury Bonds: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Trustee: A financial institution with powers to act in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

U

Underwriter: A dealer that purchases a new issue of municipal securities for resale.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted to cash.

U.S. Treasury Obligations: These are debt obligations of the U.S. Government sold by the Treasury Department in the forms of bills, notes, and bonds, for which the full faith and credit of the United States are pledged for the payment of principal and interest. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

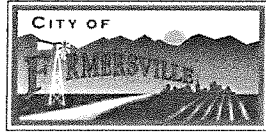
W-Z

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years

Yield (Yield to Maturity, Yield to Call or Yield to Worst): The rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield Curve: A graphical representation of the yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.

Zero Coupon Security: A security that is issued at a discount and makes no periodic interest payments. The rate of return consists of an accretion of the principal and is payable at par upon maturity.



Staff Report 8D

TO: Honorable Mayor and Members of the Farmersville City Council

FROM: Karl Schoettler, City Planning Consultant

DATE: January 13, 2020

RE: Potential to amend standards for recycling facilities in the downtown Central Commercial Zone (CC zone)

RECOMMENDED ACTION:

It is respectfully recommended that the City Council review this report concerning a potential amendment to standards for recycling businesses in the downtown area and provide direction to staff as appropriate.

BACKGROUND:

The City has recently received an application to establish a recycling business in the downtown area. Small recycling businesses are currently listed as a permitted use in the CC (Central Commercial zone). There has been interest in other recycling businesses in the downtown in the past, but these individuals were encouraged to look elsewhere in the City. The concern is that recycling businesses are a poor fit with the desired character of downtown.

ANALYSIS

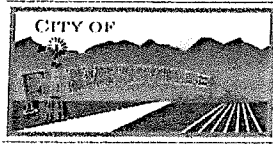
The Zoning Ordinance currently allows "Small Collection" recycling businesses in the CC (Central Commercial) zone as a permitted use. A small scale facility is one that covers up to 500 square feet of area. Section 17.54 of the Municipal Code establishes standards for recycling businesses.

As noted above, the City has received an application to establish such a business. Staff is concerned about the negative visual and physical impacts such a use could have on the downtown area – which the City is trying to establish as an attractive, pedestrian-oriented shopping district. Recycling businesses can be unsightly, noisy, generate odors and attract flies and rodents if not well-maintained. They are really more suited to industrial and service commercial locations.

The City has had other individuals express interest in opening recycling businesses in the downtown, but has been able to encourage these persons to look elsewhere. In addition to the downtown (CC zone), recycling businesses are allowed in the City's other commercial zones and the Industrial zones. These include CG (General Commercial), CS (Service Commercial), CH (Highway Commercial) "I" (Industrial) and IL (Light Industrial).

The recommendation at this point is for the City Council to initiate an amendment to the municipal code to prohibit recycling businesses in the CC zone – before they become established. This will assist in fulfilling the City's stated goals of making the downtown an attractive retail-commercial and dining heart of the City.

If the City Council directs this amendment to the code, this would require public hearings before the Planning Commission and the City Council.



City Council

Staff Report 8E

TO: Honorable Mayor and City Council

FROM: Steve Huntley, Director of Finance & Administration

DATE: January 13, 2020

SUBJECT: Annual review and adoption of the City Investment Policy by Resolution.

RECOMMENDED ACTION:

Consider adopting the City's revised Investment Policy by Resolution 2020-001.

BACKGROUND:

Government Code section 53646(a) requires that a public entity's investment policy be reviewed annually by the governing body or an investment committee. The City's current investment policy and the new proposed policy are both attached for Council's review. Best practices for a City's investment policy are established by the Government Finance Officer's Association (GFOA) which cohesively combines various applicable laws and regulatory suggestions into an example policy. As staff reviewed these best practices, and other investment policies from Cities around the State and Nation, and compared them to the City's existing policy, it was determined that it the City was overdue for a amendment of the policy to more closely align to Government Code and best practices.

DISCUSSION:

According to the GFOA best practices for investment policies:

An investment policy describes the parameters for investing government funds and identifies the investment objectives, preferences or tolerance for risk, constraints on the investment portfolio, and how the investment program will be managed and monitored. The document itself serves as a communication tool for the staff, elected officials, the public, rating agencies, bondholders, and any other stakeholders on investment guidelines and priorities. An investment policy enhances the quality of decision making and

demonstrates a commitment to the fiduciary care of public funds, making it the most important element in a public funds investment program.

In addition, GFOA recommends that all governments establish a comprehensive written investment policy that includes the following subject areas:

- **Scope and investment objectives:** Tailor the scope and investment objectives to the type of investment to which the policy applies (e.g., excess operating funds, bond proceeds, pension fund assets).
- **Roles, responsibilities, and standards of care:** Identify the roles of all persons involved in the investment program by title and responsibility. Standards of care should include language on prudence (i.e., the prudent person rule), due diligence, ethics and conflicts of interest, delegation and authority, and knowledge and qualifications.
- **Suitable and authorized investments:** Include guidelines on selecting investment types, investment advisors, interest rate risk, maturities, and credit quality, along with any collateralization requirements.
- **Investment diversification:** State the government's approach to investment diversification, identifying the method that will be used to create a mix of assets that will achieve and maintain the government's investment objectives.
- **Safekeeping, custody, and internal controls:** Develop guidelines to enhance the separation of duties and reduce the risk of fraud.
- **Authorized financial institutions, depositories, and broker/dealers:** Establish a process for creating a list of financial institutions, depositories, and broker/dealers that will provide the primary services necessary for executing the investment program.
- **Risk and performance standards:** Establish one or more appropriate benchmarks against which the portfolio should be measured and compared.
- **Reporting and disclosure standards:** Define the frequency of reporting to the governing body and the government's management team.

There are separate best practice recommendations from GFOA related to collateralization of Public Deposits, Diversify the Investment Portfolio, Government Relationships with Securities Dealers, and Investment and Management of Bond Proceeds all of which are appropriately met in this revised policy, attached.

Finally, Staff has contacted current staff of the GFOA Standing Committee on Treasury & Investment Management for assistance in modifying the investment policy and have applied their feedback in the attached policy.

As a result, the attached policy is, in staff's opinion, not only the most appropriate for the City of Farmersville at this time, but also represents a cohesive collaboration of best practices, the latest government investment information, up-to-date compliance efforts, and the start of a new level of reporting and transparency regarding City investments.

The improved format is also designed to assist those unfamiliar with investing, as well as the limitations and mandate of government investing, a way of better understanding the full scope and responsibilities implied in the investment process of the City.

Attached Documents: 3

- 1) City of Farmersville Investment Policy
- 2) Resolution 2020-001 Annual Statement of Investment Policy
- 3) Investment Policy & Resolution 2004-26

RESOLUTION 2020-001

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE ADOPTING THE ANNUAL STATEMENT OF INVESTMENT POLICY

WHEREAS, on May 24th, 2004 the City Council of the City of Farmersville reviewed and adopted the City of Farmersville's Investment Policy; and

WHEREAS, the revised policy and report has been presented to the Council requesting adoption of the annual Statement of Investment Policy; and

WHEREAS, the authority governing investments for California local agencies is set forth in the California Government Code, Sections 53601 et. Seq.; and

WHEREAS, the Statement of Investment Policy describes the investment of City funds in compliance with the Municipal Code and State law; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Farmersville, California, hereby resolve as follows:

1. The annual Statement of Investment Policy attached hereto as "Exhibit A" has been reviewed in a public meeting and is hereby adopted.
2. Pursuant to Government Code Sections 53601 et. Seq., the City of Farmersville City Council hereby authorizes and directs the City Treasurer / Chief Financial Officer (Director of Finance and Administration) to invest funds not required for the immediate necessities of the City in accordance with the attached Investment Policy and to do all things necessary to implement said Investment Policy.

PASSED, ADOPTED AND APPROVED this 13th day of January, 2020 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

GREGORIO GOMEZ
MAYOR of the City of Farmersville

ATTEST:

ROCHELLE GIOVANI – CITY CLERK

Resolution 2004-26
CITY OF FARMERSVILLE
STATEMENT OF INVESTMENT POLICY

PURPOSE

This Statement is intended to provide guidelines for the prudent investment of the City's temporary idle cash, and outline the policies for maximizing the efficiency of the City's cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled cash.

OBJECTIVE

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain the highest yield obtainable as long as the investments meet the criteria established for safety and liquidity.

POLICY

The City of Farmersville operates its temporary pooled idle cash investments under the prudent investor rule as generally described in California Probate Code section 16045, et. seq. The prudent man rule states, in essence, that "in investing... property for the benefit of another, a trustee shall exercise the judgment and care, under the circumstances then prevailing, which men of prudence discretion and intelligence exercise in the management of their own affairs...." This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California. Government Code (section 53601) restricts the City from purchasing investments securities with a maturity length greater than five years unless prior legislative approval is given.

Investment may be made in the following media and as specifically outlined under Government Code Section 53601:

- U. S. Treasury issues.
- Federal Agency Issues
- Bonds, Notes
- Commercial Paper
- Bankers Acceptances
- Certificates of Deposits
- Repurchase Agreements and Reverse Repurchase Agreements
- Local Agency Investment Fund Demand Deposit (State Pool)
- Passbook Savings Account Demand Deposit
- Central San Joaquin Valley Risk Management Pooled Investment Fund

Criteria for selecting investments and the order of priority are:

1. **Safety**: The safety and risk associated with an investment refers to the potential loss of principal, interest of a combination of these amounts. The City only operates in those investments that are considered very safe.
2. **Liquidity**: This refers to the ability to "cash in" at any moment in time with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality especially when the need for unexpected funds occurs occasionally.
3. **Yield**: Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return.

SAFEKEEPING:

~~Securities purchased from brokers/dealers shall be held in third party safekeeping by the trust department of the local agency's bank or other designated third party trust, in local agency's name and control, whenever possible.~~ All securities purchased by City of Farmersville will be properly designated as an asset of the City of Farmersville and may be held in safekeeping by the bank/broker dealer provided written confirmation of the purchase (type of security, date of issuance, yield to maturity, and cost) is received by the City within 2 business days.

INVESTMENT OBJECTIVE:

The cash management system of the City of Farmersville is designed to accurately monitor and forecast expenditures and revenues, thus insuring the investment of monies to the fullest extent possible. The cash management system should attempt to obtain highest interest yields possible as long as investments meet the criteria required for safety and liquidity.

CITY CONSTRAINT:

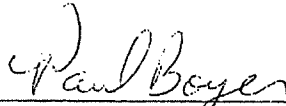
The City of Farmersville operates its pooled idle cash investments under the prudent investor rule as generally described in California Probate Codes section 16045, et. seq. This affords a broad spectrum of investment opportunities so long as the investment is deemed prudent and is permissible under currently effective legislation of the State of California and other imposed legal restrictions.

The City strives to maintain the level of investment of all idle funds as near 100% as possible, through daily and projected cash flow determinations. Idle cash management and investment transactions are responsibility of the City Treasurer and Finance Officer.

The basic premise underlying the City's investment philosophy is, and will continue to be, to insure that money is always safe and available when needed.

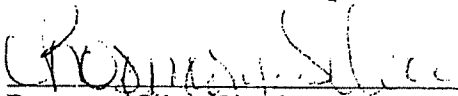
This foregoing resolution is hereby approved this 24th day of May, 2004, by the following vote:

AYES: Ferguson, Rowlett, Benavides, Santana, Boyer
ABSTAIN: None
NOES: None
ABSENT: None



Paul Boyer, Mayor

ATTEST:



Rosemary Silva, City Clerk

City of Farmersville Investment Policy

I. Governing Authority

Legality

The investment program shall be operated in conformance with governing legislation and other legal requirements laid out in section 2.04 of the Farmersville Municipal Code regarding the position of Treasurer / Chief Financial Officer and California Government Code Section 53601.

II. Scope

This policy applies to the investment of all funds, excluding the investment of employees' retirement funds.

1. Pooling of Funds

Except for cash in certain restricted and special funds, the City of Farmersville will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Also, per SEC Rule 15B (Municipal Advisor Rule), the policy must clearly state whether or not the cash being pooled/invested includes municipal bond proceeds or not.

Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. General Objectives

The primary objectives of investment activities shall be safety, liquidity, and return:

1. Safety

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

The City of Farmersville will minimize credit risk, which is the risk of loss of all or part of the investment due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in Section VII of this Investment Policy
- Pre-qualifying and conducting ongoing due diligence of the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section V
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk

The City of Farmersville will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that security maturities match cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting individual security maturity as well as the average maturity

of the portfolio in accordance with this policy (see section VIII).

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity).

Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

3. Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal;
- Selling a security and reinvesting the proceeds that would improve the quality, yield, or target duration in the portfolio may be undertaken;
- Unanticipated liquidity needs of the portfolio require that the security be sold.

IV. Standards of Care

1. Prudence

The standard of prudence to be used by investment officials shall be the "uniform prudent investor act" standard and shall be applied in the context of managing an overall portfolio. The Investment Officer acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business, in accordance with applicable laws (City's Conflict of Interest Policies, California Government Code section 1090, and the California Political Reform Act). They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Farmersville.

3. Delegation of Authority

Authority to manage the investment program is granted to the Chief Financial Officer / Treasurer and derived from City of Farmersville Municipal Code section 2.04 and California Government Code

53601. Responsibility for the operation of the investment program is hereby delegated to the Chief Financial Officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. At a minimum, procedures should include references to the following: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

V. Authorized Financial Institutions, Depositories, and Broker/Dealers

1. *Authorized Financial Institutions, Depositories, and Broker/Dealers*

A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by creditworthiness and/or other factors, such as FINRA broker check.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties)
- Proof of state registration
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
- Certification of having read and understood and agreeing to comply with the [entity's] investment policy.
- Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Chief Financial Officer.

2. If a third party investment advisor is authorized to conduct investment transactions on the City's behalf, the investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to City upon request. In selecting financial institutions for the deposit or investment of City funds, the credit rating of these institutions will be considered. These financial institutions shall be authorized to provide investment services in California.

VI. Safekeeping and Custody

1. *Delivery vs. Payment*

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible custody account prior to the release of funds.

2. *Safekeeping*

Securities will be held by an independent third-party custodian selected by the city as with all securities held in the City's name (centralized, if possible). The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

3. Internal Controls

The Chief Financial Officer shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed annually by the investment committee, where present, and with the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, mis-representation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City.

VII. Suitable and Authorized Investments

1. Investment Types

Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices, California State Law, and other binding documents, the following investments will be permitted by this policy and in the following proportions:

Investment Type	Maximum % or \$	Maximum Maturity	Minimum Required Rating
Bank / Time Deposits	None	5 years	N/A
U.S. Treasuries	None	5 years	N/A
U.S. Agencies	None	5 years	N/A
Money Market Funds	20% (10% with one mutual fund)	N/A	N/A
Bankers Acceptances	30% (5% with one bank)	180 days	A1/P1
Commercial Paper	25% (5% with one firm)	270 days	A1/P1
Negotiable CDs	30% (5% with one bank)	5 years	A < 1 year AA < for 1-5 years
CDs non-negotiable CDARS	30% (5% with one bank)	3 years	N/A
Municipal Obligations	5% with on Agency	5 years	A (except City's own bonds)
Medium Term Notes	30%	5 years	A
Supranationals	2%	5 years	AAA
LAIF (State Pool)	Per State Statute	N/A	N/A
CSJVRMA Pool	None	N/A	N/A

Investment in derivatives of the above instruments shall require authorization by the appropriate governing authority.

It is the intent that investments shall be managed in such a way that any market price losses resulting from interest-rate volatility would be offset by coupon income and current income received from the overall portfolio over market cycles. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

Pursuant to Government Code Section 53601 et seq. the City may only invest in the following security types (See the Glossary section for a detailed description of each of these investment types):

A. U.S. Government Treasury Bills and Notes

B. U.S. Government Sponsored Enterprise Debt (GSE's) (known as Agencies)

- C. **Certificates of Deposit** (non-negotiable) (CDs) – The City is authorized to use of private CD placement services by local agencies. This investment policy allows for the use of a placement service called the Certificate of Deposit Account Registry Service (CDARS), which acts as the

master custodian for the placement of CDs. Through the use of this placement service, local banks that work with CDARS place one investment by the City and divide the deposit into individual CDs not to exceed \$250,000, so that each individual CD is fully insured by the FDIC.

- D. **Bankers Acceptances (BA)** – with an A1/P1 rating as provided for by a nationally recognized statistical-rating organization (NRSRO).
- E. **Commercial Paper** - Prime commercial paper with an A1/P1 rating as provided for by a NRSRO. Purchases must be limited to corporations organized and operating within the United States, and as a practical matter generally only those corporations operating within the State of California, having total assets in excess of \$500 million, and having an "A" or higher rating for the issuer's debentures, other than commercial paper (as-provided by Moody's or Standard and Poor's rating services). In addition, purchases may not represent more than ten percent (10%) of the outstanding paper of an issuing corporation.
- F. **State of California Local Agency Investment Fund (LAIF)**
- G. **Central San Joaquin Valley Risk Management Authority Pooled Investment Account (CSJVRMA)**
- H. **Domestic money market mutual funds** – These must be registered with the Federal Securities and Exchange Commission (SEC), have over \$500 million in total assets, be rated in the highest rating category by two nationally recognized rating services and only invest in:
 - a. U.S. Government or federal agency securities and repurchase agreements,
 - b. Tax exempt obligations or other investment instruments specifically included in the local investment policy
- I. **Negotiable Certificates of Deposit** - Must be issued by a nationally or state chartered bank or savings and loan association, or by a state licensed branch of a foreign bank.
- J. **Medium Term Corporate Notes** - Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the United States or any state and operating within the U.S. Must be rated "A" or better by a NRSRO.
 - a. If a corporate note owned by the City is downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it shall be the City's policy to review the credit situation and make a determination as to whether to sell or retain such a corporate note in the portfolio.
 - b. If a security is downgraded two grades below the level required by the City, the security shall be sold immediately.
 - c. If a security is downgraded one grade below the level required by this policy and matures within 6 months, the security will be held to maturity. The Chief Financial Officer may determine to sell the security if it is determined that there is a probability of default prior to maturity. If a decision is made to retain the security in the portfolio, its presence in the portfolio will be monitored and reported quarterly to the City Council.
- K. **Municipal Obligations** – Must be rated "A" or better by a nationally recognized rating agency except for the City's own bonds and bonds issued by the City's former Redevelopment Agency and its Financing Authority, which may have any rating. Municipal Obligations include the following:
 - i. Registered state warrants or treasury notes or bonds of the State of California and bonds, notes, warrants, or other evidences of indebtedness of any local agency

within California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the state or local agency or by a department or agency of the state or local agency.

- ii. Registered treasury notes or bonds of any of the 49 U.S. States in addition to the State of California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 U.S. States, in addition to California.

L. *Supranationals* - Must be rated "AAA" or better by a nationally recognized rating

- a. agency and is U.S. dollar denominated senior unsecured unsubordinated obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank.

2. *Collateralization*

Where allowed by governing legislation and in accordance with the GFOA Recommended Practices on the Collateralization of Public Deposits, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit (at least 102% per California Government Code).

3. *Repurchase Agreements*

Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements and California Government Code.

VIII. Investment Diversification & Constraints

1. *Diversification*

It is the policy of the City of Farmersville to diversify its investment portfolios. To eliminate risk of loss resulting from the overconcentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all City of Farmersville funds shall be diversified by maturity, issuer, and security type. Diversification strategies shall be determined and revised periodically by the investment committee/investment officer for all funds except for the employee retirement fund.

In establishing specific diversification strategies, the following general policies and constraints shall apply: Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.

- Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury bills.
- Positions in securities having potential default risk (e.g., commercial paper) shall be limited in size so that in case of default, the portfolio's annual investment income will exceed a loss on a single issuer's securities.
- Risks of market price volatility shall be controlled through maturity diversification and duration management.
- The Chief Financial Officer shall establish strategies and guidelines for the percentage of the total portfolio that may be invested in securities other than repurchase agreements, Treasury bills, or collateralized certificates of deposit. The Chief Financial

Officer shall conduct a quarterly review of these guidelines and evaluate the probability of market and default risk in various investment sectors as part of its considerations.

The following diversification limitations shall be imposed on the portfolio:

Any security type or structure not specifically approved by this policy and investment instructions is specifically prohibited. Security types, which are thereby prohibited to be purchased as defined by Government Code Section 53601.6 include, but are not limited to:

- a) Complex derivative structures such as range notes, inverse floaters, or any other complex variable rate or structure note.
- b) Interest-only strips that are derived from a pool of mortgages (i.e. Collateralized Mortgage Obligations), or any security that could result in zero interest accrual if held to maturity.
- c) Mortgage and asset backed securities, and trade in options or future contracts.

2. *Maximum Maturities*

To the extent possible, the City of Farmersville shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with governing legislation. The City shall adopt weighted average maturity limitations consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be segregated into a long-term "core" investment portfolio and invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds as allowed by State law. The intent to invest in securities with longer maturities shall be disclosed in writing to the legislative body.

3. *Competitive Bids*

The Chief Financial Officer shall obtain competitive bids from at least three brokers or financial institutions on all purchases and sales of investment instruments transacted on the secondary market when practicable.

IX. Reporting

1. *Methods*

The Chief Financial Officer shall prepare an investment report monthly, according to California government code section 53607 and 53646(b) relative to the investment holdings and investment activity of the City.

The report shall include a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy.

The report will be provided to the City Manager, City Clerk, and the City Council. The report will include the following:

- Listing of individual securities held at the end of the reporting period including type, acquisition cost, book cost, and market value.
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until

- maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements).
- Average weighted return on investments as compared to applicable benchmarks.
- Percentage of the total portfolio which each type of investment represents.
- A statement that the investment portfolio is in compliance with the investment policy and is meeting the investment policy objectives

2. *Performance Standards*

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. An appropriate benchmark(s) shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmarks shall have a similar weighted average maturity as the portfolio.

3. *Marking to Market*

The market value of the portfolio shall be calculated monthly and a statement of the market value of the portfolio shall be issued monthly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools."

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, "Accounting and Financial Reporting for Certain Investments", as of June 30th of each Fiscal Year the City will report all investments in excess of one year at market value. Any change in the value of the investments will be recognized annually, as a part of interest income.

X. Policy Considerations

1. *Amendments*

This policy shall be reviewed on an annual basis. Any changes must be submitted by the investment officer and approved by the investment oversight committee or authoritative body acting in such capacity.

XI. Approval of Investment Policy

The investment policy shall be formally approved and adopted by the City Council and reviewed annually.

XII. Glossary

A

Accrued Interest: Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery.

Agencies: Federal agency securities and/or Government-sponsored enterprises. These include securities of government agencies such as, but not limited to: Federal National Mortgage Association (FNMA); Federal Home Loan Bank (FHLB); Government National Mortgage Association (GNMA); Community Development Corporation (CDC), Small Business Association (SBA), Federal Farm Credit Bank (FFCB) and Federal Home Loan Mortgage Corporation (FHLMC).

Arbitrage: Transactions by which securities are bought and sold in different markets at the same time for the

sake of the profit arising from a yield difference in the two markets. The 1986 Tax Reform Act made this practice by municipalities illegal solely as a borrowing tactic, except under certain safe-harbor conditions.

Asked: The price at which securities are offered.

Asset Backed Securities: Securities that are supported by pools of assets, such as installment loans or leases, or by pools of revolving lines of credits. Asset-backed securities are structured as trusts in order to perfect a security interest in the underlying assets.

B

Bank Deposits: To deposit collateral in the form of currency that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

Bank Notes: A senior, unsecured, direct obligation of a bank or U.S. branch of a foreign bank.

Bankers' Acceptance (BA): These are bills of exchange or time drafts drawn on, and accepted by, commercial banks in the top 100 of the world, which are eligible for purchase by the Federal Reserve System. Acceptance of the draft obligates the bank to pay the bearer the face amount of the draft at maturity. In addition to the guarantee by the accepting bank, the transaction is secured with a specific commodity. The sale of the underlying goods will generate the funds necessary to liquidate the indebtedness. BAs are usually created to finance the import and export of goods, the shipment of goods within the United States and the storage of readily marketable staple commodities. BAs are sold at a discount from par and the amount and maturity date are fixed.

Basis Point: Refers to the yield on bonds. Each percentage point of yield in bonds equals 100 basis points (1/100% or 0.01%). If a bond yield changes from 7.25% to 7.39% that is an increase of 14 basis points.

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid: The price offered by a buyer of securities. When you are selling securities, you ask for a bid. See Offer.

Bond Proceeds: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

Bonds: A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.

Book Entry: The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment).

Book Value: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of any premium or discount.

Broker: A broker assists in the buying and selling of investments together for a commission.

C

Call Price: The price at which an issuer may redeem a bond before maturity

Callable Bond: A bond issue in which all or a part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions

CALTRUST: a Joint Powers Authority created by public agencies to provide a convenient method for public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and oversees the activities of the investment manager and other agents.

CD Placement Service: A private cd placement service that allows local agencies to purchase more than \$250,000 in cds from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS (Certificate of Deposit Account Registry System) is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

Central San Joaquin Valley Risk Management Authority Pooled Investment Account (CSJVRMA): CSJVRMA is a money market portfolio created for the 54 member Public Agencies of the CSJVRMA. Similar to LAIF, this pool provides daily liquidity, money market returns and unlimited number of deposits and withdrawals. CSJVRMA pool may hold a broader range of securities that would not be eligible under the City investment criteria. Since CSJVRMA pool is subject to different statutory investment provisions, any such variances in their holdings are acceptable under this policy

Certificate Of Deposit (CD): A time deposit with a maturity evidenced by a certificate See "Non-Negotiable" and "Negotiable" Certificate of Deposit. Large-denomination CDs are typically negotiable.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Unsecured promissory notes issued to finance short term credit needs, with maturities ranging from 2 to 270 days. Unsecured promissory notes are issued to finance short term credit needs. The paper must be of "prime" quality of the highest ranking, or of the highest letter and numerical rating as provided by Moody's or Standard & Poor's. Eligible paper is further limited to issuing corporations that are organized and operate within the United States, have total assets in excess of \$500 million, and have an 'A1-P1' rating for its debt from Moody's or Standard & Poor's.

Comprehensive Annual Financial Report (CAFR): The official annual report for the City. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

Corporate Notes And Bonds: Debt instruments, typically unsecured, issued by corporations, with original maturities in most cases greater than one year and less than ten years. Medium term notes (MTN) are unsecured, corporate and depository institution debt obligations. Allowable medium term notes must be issued by corporations organized and operating within the United States (U.S.) or by depository institutions licensed by the U.S. or any state and operating within the U.S. MTNs must be rated "A" or better by Moody's or Standard and Poor's.

Coupon: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value and (b) a certificate attached to a bond evidencing interest due on a payment date.

Credit Rating: Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor's and Fitch Ratings use the same system, starting with their highest rating, of AAA, AA, A, BBB, BB, B, CCC, CC, C, and D for default. Moody's Investors Service uses Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D. Each of the services use pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The top four letter categories are considered investment grade ratings.

Credit Risk: The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of a corporation's credit will cause the market value of a security to fall, even if default is not expected.

CUSIP Number: The Committee on Uniform Security Information Procedures (CUSIP) Number refers to a security's identification number assigned to each publicly traded security by the CUSIP Service Bureau operated by Standard & Poor's for the American Bankers Association. The CUSIP Number is a nine-character identifier unique to the issuer, the specific issue and the maturity, if applicable (the first six characters identifying the issuer, the next two identifying the security and the last digit provides a check digit to validate the accuracy of the preceding CUSIP number).

Custodian: A bank or other financial institution that keeps custody of stock certificates and other assets.

D

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions; buying and selling for his/her own account.

Debenture: A bond secured only by the general credit of the issuer.

Defeased Bond Issues: Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

Delivery Versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives: Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or financial contracts based upon amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Discount: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price after sale is considered sold at a discount.

Discount Securities: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns

Duration: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a

change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

E

Effective Duration: A measure of the price sensitivity of fixed-income investments, especially for those with embedded option features such as call options. As yields rise, the effective duration of a callable investment rises to reflect the fact that it has become less likely to be called. The more rates rise, the longer the effective duration will become, approaching the duration to maturity. The converse is true in a declining interest rate environment (that is, the more rates fall, the shorter the effective duration will become, approaching the duration to call). For securities without an embedded option, the duration to call, maturity, and effective duration are all the same.

Extendable Notes: Securities with maturity dates that can be extended by mutual agreement between the issuer and investor. When investing in these types of securities, the maturity date plus the stated extendable option must not exceed the time frames that are allowed in California Government Code or the investment policy for the investment type.

F

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., banks, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, up to \$250,000 per deposit.

Federal Funds Rate: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac): A United States government sponsored corporation.

Federal National Mortgage Association (FNMA or Fannie Mae): FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, is a private stockholder-owned corporation and its purchases include a variety mortgages and second loans, in addition to fixed rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Fiduciary: A person who holds something in trust for another and bears liability for its safekeeping.

First Tier Securities: Securities that have received short-term debt ratings in the highest category from the requisite nationally recognized statistical-rating organizations (NSROS), or are comparable unrated securities, or are issued by money market funds, or government securities. [See sec Rules: Paragraph (a)(12) of rule 2a-7]

G

Government Accounting Standards Board (GASB): A standard-setting body, which prescribes standard accounting practices for governmental units.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

Guaranteed Investment Contracts (GICS): An agreement acknowledging receipt of funds for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest.

H-K

Interest: The amount a borrower pays to a lender for the use of his or her money.

Interest Rate Risk: The potential for a decline in bond prices and the market value of bonds in the portfolio, due to rising market interest rates. In general, bond prices vary inversely with interest rates. The change in a bond's price depends on several factors, including its maturity date. In general, bonds with longer maturities are more sensitive to changes in interest rates than bonds with shorter maturities. Similarly, bond funds with longer average portfolio maturities, such as the CalTRUST Medium-Term and Long-Term Accounts, will be more sensitive to interest rate changes than those with shorter average portfolio maturities, such as the CalTRUST Short-Term account.

Investment Agreements: Investment agreements are contracts with respect to funds deposited by an investor. Investment agreements are often separated into those offered by banks and those offered by insurance companies. In the former case, they are sometimes referred to as "bank investment contracts."

L

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Liquidity Risk: The chance that a security, sold prior to maturity, will be sold at a loss of value. For a local agency, the liquidity risk of an individual investment may not be as critical as how the overall liquidity of the portfolio allows the agency to meet its cash needs.

Local Agency Investment Fund (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment. LAIF was created in the

California State Treasury by Section 17429 GC. LAIF holds local government funds in trust in a state investment pool in order to provide safety, liquidity and the benefits of the investment pool yield for local government entities invested in LAIF.

M

Market Risk: The price at which a security is trading and could be presumably be purchased or sold.. In general, as interest rates fall, prices of fixed income securities rise. Similarly, as interest rates rise, prices fall. Market risk also is referred to as systematic risk that affects all securities within an asset class similarly.

Market Value: The price at which a security is trading and could presumably be purchased or sold on a specific date.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded. Rule 2a-7 of the Investment Company Act applies to Money Market Funds, which mandates these funds to maintain certain standards, including a 13 month maturity limit and a 90 day average maturity on investments, to maintain a constant net asset value of \$1.00.

Mortgage Backed Securities (MBS): Mortgage-backed securities (MBS) are created when a mortgagee or a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interests or participations in the pool. MBS owners receive a prorata share of the interest and principal cash flows (net of fees) that are "passed through" from the pool of mortgages. MBS are complex securities whose cash flows are determined by the characteristics of the mortgages that are pooled together. Investors in MBS face prepayment risk associated with the option of the underlying mortgagors to pre-pay or payoff their mortgage. Most MBS are issued and/or guaranteed by federal agencies and instrumentalities (e.g., Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC)).

Mortgage Pass-Through Obligations: Securities that are created when residential mortgages (or other mortgages) are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Funds: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

N

National Association Of Securities Dealers (NASD): A self-regulatory organization (SRO) of brokers and dealers in the over the counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Nationally Recognized Statistical Rating Organizations (NSROs): Credit rating agencies whose ratings are permitted to be used for regulatory purposes such as Securities and Exchange Commission.

Negotiable Certificate Of Deposit (NCD): A large denomination certificate of deposit which can be sold in the open market prior to maturity. Generally, it is a short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable cds mature within six months, while the average maturity is two weeks. Negotiable cds are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). These instruments are supported only by the strength of the institution issuing them.

Net Asset Value (NAV): A term used in the mutual fund industry to determine the average price per share of a pool or mutual fund. How this measure varies over time provides information on whether the pool is stable or variable. NAV is the market value of all securities in a mutual fund, less the value of the fund's liabilities, divided by the number of shares in the fund outstanding. Shares of mutual funds are purchased at the fund's offered NAV.

Net Present Value: An amount that equates future cash flows with their value in the present terms.

Non-Negotiable Certificates Of Deposit: Funds deposited in nationally or state chartered bank or state or federal association for a specified period of time at a specified rate of interest. The first \$250,000 is guaranteed by the Federal Deposit Insurance Corporation (FDIC) for banks, the Federal Savings and Loan Insurance Corporation (FSLIC) for savings and loan associations and the National Credit Union Share Insurance Fund (NCUSIF) for credit unions. CDs with a face value in excess of \$250,000 must be collateralized at 110% of market value with pledged securities of the bank.

Note: A written promise to pay a specified amount to a certain entity on demand or on a specified date. Usually bearing a short-term maturity of a year or less (though longer maturities are issued—see "Medium-Term Note").

O

Offer: The price asked by a seller of securities. When you are buying securities, you ask for an offer. See Asked and Bid.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Options: A contract that gives the buyer the right to buy or sell an obligation at a specified price for a specified time. Exchange Traded Options are standardized option contracts that are actively traded on the Chicago Board of Exchange on a daily basis, whereas over the counter options are traded directly between the buyer and seller at agreed upon prices and conditions (the former type of option is therefore more liquid than the latter).

P-Q

Par Amount Or Par Value: The principal amount of a note or bond which must be paid at maturity. Par, also referred to as the "face amount" of a security, is the principal value stated on the face of the security. A par bond is one sold at a price of 100 percent of its principal amount.

Portfolio: Collection of securities held by an investor.

Premium: The amount by which the price paid for a security exceeds the security's par value. Investors pay a premium to purchase a security when the return to the investor (yield) is lower than the stated coupon (interest rate) on the investment.

Price: Price is the amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include the Securities and Exchange Commission (SEC), registered securities broker-dealers and banks.

Principal: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

Prudent Person Rule: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state, the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking an income and preservation of capital.

Qualified Public Depositories: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

R

Rate Of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity, on a bond it is the current income return.

Reverse Repurchase Agreements: An agreement of one party (for example, a financial institution) to purchase securities at a specified price from a second party (such as a public agency) and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Repurchase Agreement (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. One exception is when the Federal Reserve is said to be doing RP, it is lending money that is increasing bank reserves.

Risk: The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.

Rule G-37 Of The Municipal Securities Rulemaking Board: Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities.

S

Safekeeping: A service to customers rendered by banks for a fee, whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Safety: In the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15C3-1: See Uniform Net Capital Rule.

Settlement Date: The date when a trade is cleared by delivery of securities against funds

Structured Notes: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, FHLB, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, and derivative based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

Swap: A swap is any financial transaction that involves the simultaneous purchase of a security and the sale of another for the purpose of enhancing an investor's portfolio. Swap transactions of interest to California public investors include portfolio swaps and interest rate swaps.

T

Tax And Revenue Anticipation Notes (TRANS): Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

Time Deposits: Issued by depository institutions against funds deposited for a specified length of time. Time deposits include instruments such as deposit notes. They are distinct from certificates of deposit (CDs) in that interest payments on time deposits are calculated in a manner similar to that of corporate bonds, whereas interest payments on CDs are calculated similar to that of money market instruments.

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months to one year.

Treasury Bonds: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Trustee: A financial institution with powers to act in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

U

Underwriter: A dealer that purchases a new issue of municipal securities for resale.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted to cash.

U.S. Treasury Obligations: These are debt obligations of the U.S. Government sold by the Treasury Department in the forms of bills, notes, and bonds, for which the full faith and credit of the United States are pledged for the payment of principal and interest. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

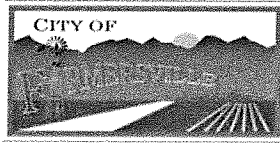
W-Z

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years

Yield (Yield to Maturity, Yield to Call or Yield to Worst): The rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield Curve: A graphical representation of the yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.

Zero Coupon Security: A security that is issued at a discount and makes no periodic interest payments. The rate of return consists of an accretion of the principal and is payable at par upon maturity.



City Council

Staff Report 8F

TO: Honorable Mayor and City Council

FROM: Jennifer Gomez, City Manager

DATE: January 13, 2020

SUBJECT: Authorization for the City of Farmersville's Public Works Projects Pre-Qualification for Contractors

RECOMMENDED ACTION:

It is respectfully recommended that the City Council authorize staff to advertise the City of Farmersville's Public Works Projects Pre-Qualification for Contractors.

BACKGROUND:

The City of Farmersville currently has several major infrastructure projects on its horizon required to be bid for construction. Rather than qualifying the contractors during the bidding period separately on a project by project basis, Assembly Bill 574 authorizes any public agency to adopt a pre-qualification process and establish a procedure by which a contractor may qualify to bid on projects advertised for bid by the agency for a period of one year after the date of initial pre-qualification.

On April 11, 2016, City Council approved Resolution 2016-014 which approved the pre-qualification of contractors for various projects. Staff recommends using this approved process in advance of bidding various projects to enhance the quality of bids received.

DISCUSSION:

Staff plans to use the pre-qualification of contractors for upcoming projects including the West Walnut Avenue ATP Project, West Walnut Avenue Reconstruction Project, N. Farmersville Boulevard Widening Project, and possibly others. These are important infrastructure projects for the City where construction may occur during the same time periods. Staff believes it will be beneficial to utilize the pre-qualification process to help ensure quality contractors are selected. Staff will advertise for pre-qualification of contractors and then will bid projects to the contractors that have met the pre-qualification requirements.

COORDINATION & REVIEW:

Staff has worked with the City Manager and Public Works Department to make sure the pre-qualification of contractors meets the needs of the City for future infrastructure projects for a period of one year after the date of the initial pre-qualification.

ALTERNATIVES:

The City Council may choose to direct staff to advertise the projects for bidding purposes on a project-by-project basis or may direct staff to provide alternatives.

FISCAL IMPACT:

Typical projects are funded by Federal, State, Regional, and Local Funds.

CONSLUSION:

That the City Council authorize staff to advertise the public works projects pre-qualification for contractors. The anticipated bid opening date is January 31, 2020.

ATTACHMENTS:

Resolution 2016-014

RESOLUTION No. 2016-014

**BEFORE THE CITY COUNCIL OF THE CITY OF FARMERSVILLE A
RESOLUTION TO ADOPT A PRE-QUALIFICATION PROCESS
APPLICABLE TO PUBLIC WORKS PROJECTS TO BE CONSTRUCTED
FOR THE CITY**

WHEREAS, Chapter 20100 of the Public Contract Code authorizes public agencies the ability to require bidders for public works contracts to submit to a pre-qualification process; and,

WHEREAS, agencies that utilize this process are additionally required to adopt standardized methods of acquiring information and judging the ability of prospective contractors; and,

WHEREAS, the City of Farmersville will utilize the following pre-qualification procedure to verify the prospective contractor's ability to bid on public works projects:

- (1) use a "standardized questionnaire and financial statement in a form (Section 20101[a]);
- (2) adopt and apply a uniform system of rating bidders on objective criteria, on the basis of the completed questionnaires and financial statements (Section 20101[b]);
- (3) create an appeal procedure, by which a contractor that is denied pre-qualification may seek a reversal of that determination (Section 20101[d]); and,

WHEREAS, the City of Farmersville may establish a pre-qualification procedure linked to a single project (Section 20101[d]) or, the City of Farmersville may adopt a procedure by which a contractor may qualify to bid on projects which are put out for bid by that agency for a period of one year after the date of initial pre-qualification (Section 20101[c]); and,

WHEREAS, the City of Farmersville will utilize a public advertisement process through newspapers of local circulation notifying prospective contractors the pre-qualification requirements.

NOW, THEREFORE, BE IT RESOLVED by the City of Farmersville, CA as follows:

1. The foregoing recitals are adopted as true and correct;
2. For all public projects subject to Public Contract Code Chapter 20100, no bids will be accepted and no contracts shall be awarded pursuant to Public Contract Code Section 20101, to bidders who have not been prequalified; and

City Council

Resolution 2016-014

Page 2

3. Bidders shall be prequalified in accordance with the requirements set forth in the Pre-qualification Process for the City of Farmersville, adopted by this Resolution, and attached hereto and incorporated herein as Exhibit "A".

THE FOREGOING RESOLUTION WAS ADOPTED by motion of Mayor Gomez and seconded by Benavides with vote of 3-0 at a regular meeting on this 11th day of April, 2016.

AYES: Gomez, Benavides and Sisk.

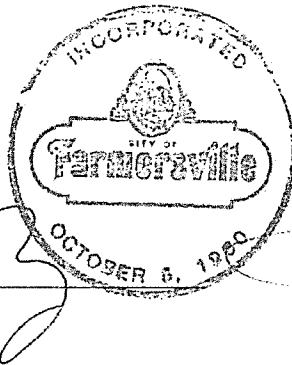
NAYS: 0

ABSTAIN: Rowlett

ABSENT: Boyer

BY:

Greg Gomez, Mayor

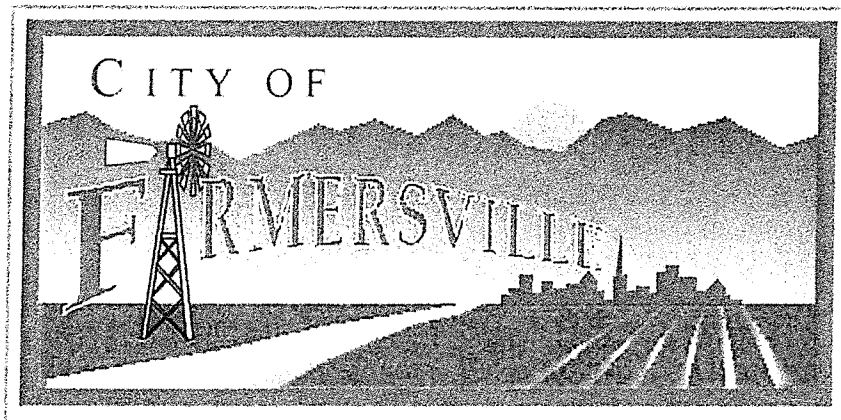


ATTEST:

Matt Sisk, City Clerk Pro Tem

CITY OF FARMERSVILLE

PRE-QUALIFICATION OF CONTRACTORS SEEKING TO BID ON PUBLIC WORKS PROJECTS



April, 2016

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**INTRODUCTION AND
OVERVIEW OF THE 1999 LAW
AND ITS APPLICATION TO THE
CITY OF FARMERSVILLE'S
PUBLIC WORKS PROJECTS**

The City of Farmersville, by Resolution 2016-____ has adopted a Pre-Qualification process for public works projects. The following describes the information required of prospective contractors/bidders to be considered for the City of Farmersville Projects.

I. IMPORTANT PROVISIONS OF THE 1999 LAW

In 1999, the Legislature enacted a law that allows many public agencies to require licensed contractors that wish to bid for public works jobs to “pre-qualify” for the right to bid on a specific public works project, or on public works project undertaken by a public agency during a specified period of time. Public Contract Code section 20101 has the relevant provisions; it was enacted as part of Assembly Bill 574.

The law applies to all cities, counties, and special districts but does not apply to K-12 school districts (which have similar authority to create pre-qualification procedures, described in Public Contract Code section 20111.5, which was enacted in 1997).¹

The law does not require any public agency to adopt a pre-qualification system. Instead, it authorizes every public agency to adopt a pre-qualification system, and describes certain requirements that must be met (described below), if a public agency chooses to adopt such a system.

In fact, the 1999 law allows a public agency to establish two different kinds of pre-qualification procedures for public works projects. The law allows a public agency to establish a pre-qualification procedure linked to a single project (Section 20101[d]). Or, the public agency may adopt a procedure by which a contractor may qualify to bid on projects which are put out for bid by that agency for a period of one year after the date of initial pre-qualification. (Section 20101[c]).

The law requires every public agency that creates either kind of pre-qualification procedure to:

(1) use a “standardized questionnaire and financial statement in a form specified by the public entity”(Section 20101[a]);

(2) adopt and apply a uniform system of rating bidders on objective criteria, on the basis of the completed questionnaires and financial statements (Section 20101[b]);

(3) create an appeal procedure, by which a contractor that is denied pre-qualification may seek a reversal of that determination. (Section 20101[d]).

II. ROLE OF THE DEPARTMENT OF INDUSTRIAL RELATIONS

¹ Community College Districts also have specific authority to carry out prequalification procedures, in Public Contract Code section 20651.5, enacted in 1998. Community College Districts may also be covered by AB 574, since they are not specifically exempted.

AB 574 required the Department of Industrial Relations (DIR) to “develop model guidelines for rating bidders, and draft the standardized questionnaire.” It required DIR to “consult with affected public agencies, cities and counties, the construction industry, the surety industry, and other interested parties.”

From January through October 2000, DIR held a series of meetings in Sacramento with representatives of public agencies and other interested parties. Each meeting was attended by more than 25 representatives of interested parties. All told, more than 60 people participated in at least one such meeting, and most representatives participated in more than one. Contractors, public agencies both large and small, and associations of each were well represented throughout the series of meetings. DIR’s initial draft of a questionnaire was revised after each meeting, and each revised draft was discussed at the next meeting, leading to additional revisions. Eventually, there was widespread consensus that the model questionnaire provided in this package offers a system of rating bidders based on objective criteria, and a useful and appropriate series of questions.

In addition, DIR, in compliance with the 1999 legislation, created model guidelines for rating bidders. The model rating system also is included in this package.

III. AN OVERVIEW OF THE DOCUMENTS IN THIS PACKAGE

Included in this package are:

1. The model questionnaire to be sent to contractors. The questionnaire includes spaces for answers to be provided by the contractors, with the forms to be returned to the City of Farmersville.² As required by the legislation, the information provided to the public agency by the contractors, other than the names, addresses and contractor license numbers of the contractors applying – is to be kept confidential
2. A model scoring system, for rating the answers given by the contractors and by the references. Note: the documents provided here by DIR are designed to collect the information that a public agency will need to carry out a pre-qualification procedure, and the DIR has proposed a rating system. Each public agency, however, is free to devise its own “uniform system of rating prospective bidders . . . based on objective criteria.” That is, each public agency may determine its own scoring system and its own passing scores for different portions of the questionnaire and for the interviews.
3. A model series of questions to be used by representatives of the public agency when interviewing persons who are identified by contractors as their “references” – owners of projects that have been completed by each contractor in the recent past.
4. DIR’s suggestions for procedures to be used for conducting the reference interviews.

² The documents included in this package can be found at the Department of Industrial Relations web site, www.dir.ca.gov.

5. Two alternative forms: model announcements of pre-qualification procedures. Each is a summary and explanation of the pre-qualification procedure, prepared primarily for licensed contractors, although available for the general public as well. There are two slightly different versions of this document: one explains the pre-qualification procedure linked to a single project,³ while the other explains the procedure of pre-qualification valid for a year and for more than one project.

6. A list of sources of information that may be used by a public agency to verify the accuracy of many of the answers given by the contractors to the questions on the questionnaire.⁴

IV. APPEAL PROCEDURE

Section 20101(d) requires every public agency that requires prospective bidders to prequalify pursuant to this law to establish "a process that will allow prospective bidders to dispute their proposed Pre-qualification rating prior to the closing time for receipt of bids." The appeal process must include written notification by the public agency of the basis for the prospective bidder's disqualification "and any supporting evidence that has been received from others or adduced as a result of an investigation by the public entity." (section 20101[d][1]). The prospective bidder must be given an opportunity to rebut any evidence used as a basis for disqualification and to present evidence to the public entity as to why the prospective bidder should be found qualified." (section 20101[d][2]). The law does not describe the appeal procedure in any additional detail; each public agency is free to adopt its own procedures, as long as the statutory requirements are met. As an example, while Part I of the model questionnaire includes nine "Essential Requirements for Qualification," a public agency may choose to allow contractors to appeal a disqualification based solely on an answer to a question in Part I.

³ The explanation included in this document assumes that the prequalification procedure is taking place after the RFP or project announcement is published. A public agency may choose, instead, to have the prequalification procedure start and end prior to the solicitation of bids for the specific project. If that is the case, the public agency would have to modify the document offered here to explain the sequence of events.

⁴ A CAUTIONARY NOTE: The information that will be given to public agencies by contractors seeking pre-qualification is provided under oath, with the understanding that the intentional providing of false information is, in itself, grounds for disqualification. We expect that the information given should be and will be accepted at face value in most instances. Our list of sources of information available to the public is provided for use in the few instances in which a public agency reviewing the answers given in a questionnaire has specific reason to believe that one or more answers should be verified in this manner.

DIR has devised two different schedules for appeal procedures. One schedule would be used in a system for Pre-qualification for a single project. The sequence of steps in this appeal procedure are scheduled to allow for an appeal decision at least four business days prior to the submission for bids for the single project. The other schedule for an appeal is applicable to a system in which prospective bidders seek Pre-qualification valid for one year, without a link to the bidding on a specific project. These two appeal sequences are described in the explanation to contractors (the two documents referred to in paragraph 5, above).

Each public agency should be certain that it distributes to licensed contractors only the description that is appropriate for the Pre-qualification procedures that are in use.

There are a number of laws and court decisions that affect the nature of an appeal hearing provided by a public agency. Each public agency should consult its own attorneys for advice in this area.

V. APPLICATION OF THE PUBLIC RECORDS ACT

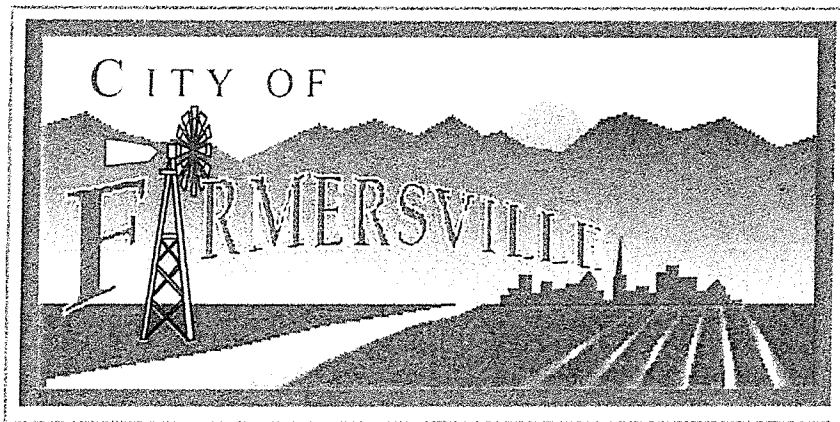
AB 574 provides that “The questionnaires and financial statements shall not be public records and shall not be open to public inspection; however, records of the names of contractors applying for Pre-qualification status shall be public records subject to disclosure” under the Public Records Act. (Section 20101[a]). The model questionnaire forms provided by DIR indicate that the cover page of each questionnaire is a public record, and that all other pages of the questionnaire are not public records.

VI. WHAT ARE THE LAW'S PROVISIONS REGARDING PRE-QUALIFICATION OF SUBCONTRACTORS?

Public agencies are not required to pre-qualify sub-contractors; nor are public agencies prohibited from doing so. Section 20101(f) says:

Nothing in this section shall preclude the awarding agency from prequalifying or disqualifying a subcontractor. The disqualification by an awarding agency does not disqualify an otherwise prequalified [general] contractor.

CITY OF FARMERSVILLE



PRE-QUALIFICATION QUESTIONNAIRE

The City of Farmersville, by Resolution 2016-_____ has adopted the following questionnaire to be used by prospective contractors to be considered for Public Works Projects.

This procedure is based on Assembly Bill 574 in which, the Legislature (in 1999) enacted a law that allows public agencies to require licensed contractors that wish to bid for public works jobs to “pre-qualify” for the right to bid on a specific public works project, or on public works project undertaken by a public agency during a specified period of time. Public Contract Code section 20101 has the relevant provisions; it was enacted as part of Assembly Bill 574.

As part of the pre-qualification process, prospective contractors that desire to bid on City projects are required to complete the following questionnaire and submit to the City prior to the date specified in the public notice.

The provisions of this questionnaire, its scoring criteria and appeal procedure are based on the model forms created by the Department of Industrial Relations web site, <http://www.dir.ca.gov/prequal.htm>.

The completed questionnaire shall be submitted to the City of Farmersville in a sealed envelope prior to 5:00 pm, (Date to be inserted).

The envelope shall be marked “Pre-qualification Questionnaire – Confidential”

CONTACT INFORMATION

Firm Name: _____ Check One: ☐ Corporation
(as it appears on license) ☐ Partnership
☐ Sole Prop.

Contact Person: _____

Address: _____

Phone: _____ Fax: _____

If firm is a sole proprietor or partnership:

Owner(s) of Company _____

Contractor's License Number(s):

PART I. ESSENTIAL REQUIREMENTS FOR QUALIFICATION

Contractor will be immediately disqualified if the answer to any of questions 1 through 5 is "no."⁵

Contractor will be immediately disqualified if the answer to any of questions 6, 7, 8 or 9 is "yes."⁶ If the answer to question 8 is "yes," and if debarment would be the sole reason for denial of pre-qualification, any pre-qualification issued will exclude the debarment period.

1. Contractor possesses a valid and current California Contractor's license for the project or projects for which it intends to submit a bid.
☐ Yes ☐ No
2. Contractor has a liability insurance policy with a policy limit of at least \$1,000,000 per occurrence and \$2,000,000 aggregate.
☐ Yes ☐ No
3. Contractor has current workers' compensation insurance policy as required by the Labor Code or is legally self-insured pursuant to Labor Code section 3700 et. seq.
☐ Yes ☐ No ☐ Contractor is exempt from this requirement, because it has no employees
4. Have you attached your latest copy of a reviewed or audited financial statement with accompanying notes and supplemental information?⁷
☐ Yes ☐ No

NOTE: A financial statement that is not either reviewed or audited is not acceptable. A letter verifying availability of a line of credit may also be attached; however, it will be considered as supplemental information only, and is not a substitute for the required financial statement.

5. Have you attached a notarized statement from an admitted surety insurer (approved by the California Department of Insurance) and authorized to issue bonds in the State of California, which states: (a) that your current bonding capacity is sufficient for the project for which

⁵ A "no" answer to Question 4 will not be disqualifying if the contractor is exempt from complying with Question 4, for reasons explained in footnote 7.

⁶ A contractor disqualified solely because of a "Yes" answer given to question 6, 7, or 9 may appeal the disqualification and provide an explanation of the relevant circumstances during the appeal procedure.

⁷ Public Contract Code section 20101(e) exempts from this requirement a contractor who has qualified as a small business pursuant to Government Code section 14837(d)(1), if the bid is "no more than 25 per cent of the qualifying amount provided in section 14837(d)(1)." As of January 1, 2001, the qualifying amount is \$10 million, and 25 per cent of that amount, therefore, is \$2.5 million.

you seek pre-qualification if you are seeking pre-qualification for a single project; or (if you are seeking pre-qualification valid for a year) (b) your current available bonding capacity?⁸

☐ Yes ☐ No

NOTE: Notarized statement must be from the surety company, not an agent or broker.

6. Has your contractor's license been revoked at any time in the last five years?
☐ Yes ☐ No
7. Has a surety firm completed a contract on your behalf, or paid for completion because your firm was default terminated by the project owner within the last five (5) years?
☐ Yes ☐ No
8. At the time of submitting this pre-qualification form, is your firm ineligible to bid on or be awarded a public works contract, or perform as a subcontractor on a public works contract, pursuant to either Labor Code section 1777.1 or Labor Code section 1777.7?
☐ Yes ☐ No

If the answer is "Yes," state the beginning and ending dates of the period of debarment:

-
9. At any time during the last five years, has your firm, or any of its owners or officers been convicted of a crime involving the awarding of a contract of a government construction project, or the bidding or performance of a government contract?
☐ Yes ☐ No

⁸ An additional notarized statement from the surety may be requested by *Public Entity* at the time of submission of a bid, if this pre-qualification package is submitted more than 60 days prior to submission of the bid.

**PART II. ORGANIZATION, HISTORY, ORGANIZATIONAL PERFORMANCE,
COMPLIANCE WITH CIVIL AND CRIMINAL LAWS**

A. Current Organization and Structure of the Business

For Firms That Are Corporations:

- 1a. Date incorporated : _____
 1b. Under the laws of what state: _____
 1c. Provide all the following information for each person who is either (a) an officer of the corporation (president, vice president, secretary, treasurer), or (b) the owner of at least ten per cent of the corporation's stock.

Name	Position	Years with Co.	% Ownership	Social Security #

- 1d. Identify every construction firm that any person listed above has been associated with (as owner, general partner, limited partner or officer) at any time during the last five years.

NOTE: For this question, "owner" and "partner" refer to ownership of ten per cent or more of the business, or 10 per cent or more of its stock, if the business is a corporation.

Person's Name	Construction Firm	Dates of Person's Participation with Firm

For Firms That Are Partnerships:

- 1a. Date of formation: _____
 1b. Under the laws of what state: _____
 1c. Provide all the following information for each partner who owns 10 per cent or more of the firm.

Name	Position	Years with Co.	% Ownership	Social Security #

- 1d. Identify every construction company that any partner has been associated with (as owner, general partner, limited partner or officer) at any time during the last five years.

NOTE: For this question, "owner" and "partner" refer to ownership of ten per cent or more of the business, or ten per cent or more of its stock, if the business is a corporation.

Person's Name	Construction Company	Dates of Person's Participation with Company

For Firms That Are Sole Proprietorships:

- 1a. Date of commencement of business. _____
 1b. Social security number of company owner. _____
 1c. Identify every construction firm that the business owner has been associated with (as owner, general partner, limited partner or officer) at any time during the last five years.

NOTE: For this question, "owner" and "partner" refer to ownership of ten per cent or more of the business, or ten per cent or more of its stock, if the business is a corporation.

Person's Name	Construction Company	Dates of Person's Participation with Company

For Firms That Intend to Make a Bid as Part of a Joint Venture:

- 1a. Date of commencement of joint venture. _____
 1b. Provide all of the following information for each firm that is a member of the joint venture that expects to bid on one or more projects:

Name of firm	% Ownership of Joint Venture

B. History of the Business and Organizational Performance

2. Has there been any change in ownership of the firm at any time during the last three years?
NOTE: A corporation whose shares are publicly traded is not required to answer this question.

☐ Yes ☐ No

If "yes," explain on a separate signed page.

3. Is the firm a subsidiary, parent, holding company or affiliate of another construction firm?
NOTE: Include information about other firms if one firm owns 50 per cent or more of another, or if an owner, partner, or officer of your firm holds a similar position in another firm.

☐ Yes ☐ No

If "yes," explain on a separate signed page.

4. Are any corporate officers, partners or owners connected to any other construction firms.
NOTE: Include information about other firms if an owner, partner, or officer of your firm holds a similar position in another firm.

☐ Yes ☐ No

If "yes," explain on a separate signed page.

5. State your firm's gross revenues for each of the last three years:

6. How many years has your organization been in business in California as a contractor under your present business name and license number? _____ years

7. Is your firm currently the debtor in a bankruptcy case?

☐ Yes ☐ No

If "yes," please attach a copy of the bankruptcy petition, showing the case number, and the date on which the petition was filed.

8. Was your firm in bankruptcy at any time during the last five years? (This question refers only to a bankruptcy action that was not described in answer to question 7, above)

☐ Yes ☐ No

If "yes," please attach a copy of the bankruptcy petition, showing the case number and the date on which the petition was filed, and a copy of the Bankruptcy Court's discharge order, or of any other document that ended the case, if no discharge order was issued.

Licenses

9. List all California construction license numbers, classifications and expiration dates of the California contractor licenses held by your firm:

10. If any of your firm's license(s) are held in the name of a corporation or partnership, list below the names of the qualifying individual(s) listed on the CSLB records who meet(s) the experience and examination requirements for each license.
-
-

11. Has your firm changed names or license number in the past five years?

☐ Yes ☐ No

If "yes," explain on a separate signed page, including the reason for the change.

12. Has any owner, partner or (for corporations:) officer of your firm operated a construction firm under any other name in the last five years?

☐ Yes ☐ No

If "yes," explain on a separate signed page, including the reason for the change.

13. Has any CSLB license held by your firm or its Responsible Managing Employee (RME) or Responsible Managing Officer (RMO) been suspended within the last five years?

☐ Yes ☐ No

If "yes," please explain on a separate signed sheet.

Disputes

14. At any time in the last five years has your firm been assessed and paid liquidated damages after completion of a project under a construction contract with either a public or private owner?

☐ Yes ☐ No

If yes, explain on a separate signed page, identifying all such projects by owner, owner's address, the date of completion of the project, amount of liquidated damages assessed and all other information necessary to fully explain the assessment of liquidated damages.

15. In the last five years has your firm, or any firm with which any of your company's owners, officers or partners was associated, been debarred, disqualified, removed or otherwise prevented from bidding on, or completing, any government agency or public works project for any reason?

NOTE: "Associated with" refers to another construction firm in which an owner, partner or officer of your firm held a similar position, and which is listed in response to question 1c or 1d on this form.

☐ Yes ☐ No

If "yes," explain on a separate signed page. State whether the firm involved was the firm applying for pre-qualification here or another firm. Identify by name of the company, the name of the person within your firm who was associated with that company, the year of the event, the owner of the project, the project and the basis for the action.

16. In the last five years has your firm been denied an award of a public works contract based on a finding by a public agency that your company was not a responsible bidder?

☐ Yes ☐ No

If "yes," explain on a separate signed page. Identify the year of the event, the owner, the project and the basis for the finding by the public agency.

* * * * *

NOTE: The following two questions refer only to disputes between your firm and the owner of a project. You need not include information about disputes between your firm and a supplier, another contractor, or subcontractor. You need not include information about "pass-through" disputes in which the actual dispute is between a sub-contractor and a project owner. Also, you may omit reference to all disputes about amounts of less than \$50,000.

17. In the past five years has any claim against your firm concerning your firm's work on a construction project been filed in court or arbitration?

☐ Yes ☐ No

If "yes," on separate signed sheets of paper identify the claim(s) by providing the project name, date of the claim, name of the claimant, a brief description of the nature of the claim, the court in which the case was filed and a brief description of the status of the claim (pending or, if resolved, a brief description of the resolution).

18. In the past five years has your firm made any claim against a project owner concerning work on a project or payment for a contract and filed that claim in court or arbitration?

☐ Yes ☐ No

If "yes," on separate signed sheets of paper identify the claim by providing the project name, date of the claim, name of the entity (or entities) against whom the claim was filed, a brief description of the nature of the claim, the court in which the case was filed and a brief description of the status of the claim (pending, or if resolved, a brief description of the resolution).

* * * * *

19. At any time during the past five years, has any surety company made any payments on your firm's behalf as a result of a default, to satisfy any claims made against a performance or payment bond issued on your firm's behalf, in connection with a construction project, either public or private?

☐ Yes ☐ No

If "yes," explain on a separate signed page the amount of each such claim, the name and telephone number of the claimant, the date of the claim, the grounds for the claim, the present status of the claim, the date of resolution of such claim if resolved, the method by which such was resolved if resolved, the nature of the resolution and the amount, if any, at which the claim was resolved.

20. In the last five years has any insurance carrier, for any form of insurance, refused to renew the insurance policy for your firm?

☐ Yes ☐ No

If "yes," explain on a separate signed page. Name the insurance carrier, the form of insurance and the year of the refusal.

Criminal Matters and Related Civil Suits

21. Has your firm or any of its owners, officers or partners ever been found liable in a civil suit or found guilty in a criminal action for making any false claim or material misrepresentation to any public agency or entity?

☐ Yes ☐ No

If "yes," explain on a separate signed page, including identifying who was involved, the name of the public agency, the date of the investigation and the grounds for the finding.

22. Has your firm or any of its owners, officers or partners ever been convicted of a crime involving any federal, state, or local law related to construction?

☐ Yes ☐ No

If "yes," explain on a separate signed page, including identifying who was involved, the name of the public agency, the date of the conviction and the grounds for the conviction.

23. Has your firm or any of its owners, officers or partners ever been convicted of a federal or state crime of fraud, theft, or any other act of dishonesty?

☐ Yes ☐ No

If "yes," identify on a separate signed page the person or persons convicted, the court (the county if a state court, the district or location of the federal court), the year and the criminal conduct.

Bonding

24. Bonding capacity: Provide documentation from your surety identifying the following:

Name of bonding company/surety: _____

Name of surety agent, address and telephone number:

25. If your firm was required to pay a premium of more than one per cent for a performance and payment bond on any project(s) on which your firm worked at any time during the last three years, state the percentage that your firm was required to pay. You may provide an explanation for a percentage rate higher than one per cent, if you wish to do so.

26. List all other sureties (name and full address) that have written bonds for your firm during the last five years, including the dates during which each wrote the bonds:

27. During the last five years, has your firm ever been denied bond coverage by a surety company, or has there ever been a period of time when your firm had no surety bond in place during a public construction project when one was required?

☐ Yes ☐ No

If yes, provide details on a separate signed sheet indicating the date when your firm was denied coverage and the name of the company or companies which denied coverage; and the period during which you had no surety bond in place.

C. Compliance with Occupational Safety and Health Laws and with Other Labor Legislation Safety

28. Has CAL OSHA cited and assessed penalties against your firm for any "serious," "willful" or "repeat" violations of its safety or health regulations in the past five years?

NOTE: If you have filed an appeal of a citation, and the Occupational Safety and Health Appeals Board has not yet ruled on your appeal, you need not include information about it.

☐ Yes ☐ No

If "yes," attached a separate signed page describing the citations, including information about the dates of the citations, the nature of the violation, the project on which the citation(s) was or were issued, the amount of penalty paid, if any. If the citation was appealed to the Occupational Safety and Health Appeals Board and a decision has been issued, state the case number and the date of the decision.

29. Has the federal Occupational Safety and Health Administration cited and assessed penalties against your firm in the past five years?

NOTE: If you have filed an appeal of a citation and the Appeals Board has not yet ruled on your appeal, or if there is a court appeal pending, you need not include information about the citation.

☐ Yes ☐ No

If "yes," attach a separate signed page describing each citation.

30. Has the EPA or any Air Quality Management District or any Regional Water Quality Control Board cited and assessed penalties against either your firm or the owner of a project on which your firm was the contractor, in the past five years?

NOTE: If you have filed an appeal of a citation and the Appeals Board has not yet ruled on your appeal, or if there is a court appeal pending, you need not include information about the citation.

☐ Yes ☐ No

If "yes," attach a separate signed page describing each citation.

31. How often do you require documented safety meetings to be held for construction employees and field supervisors during the course of a project?

32. List your firm's Experience Modification Rate (EMR) (California workers' compensation insurance) for each of the past three premium years:

NOTE: An Experience Modification Rate is issued to your firm annually by your workers' compensation insurance carrier.

Current year: _____

Previous year: _____

Year prior to previous year: _____

If your EMR for any of these three years is or was 1.00 or higher you may, if you wish, attach a letter of explanation.

33. Within the last five years has there ever been a period when your firm had employees but was without workers' compensation insurance or state-approved self-insurance?

☐ Yes ☐ No

If "yes," please explain the reason for the absence of workers' compensation insurance on a separate signed page. If "No," please provide a statement by your current workers' compensation insurance carrier that verifies periods of workers' compensation insurance coverage for the last five years. (If your firm has been in the construction business for less than five years, provide a statement by your workers' compensation insurance carrier verifying continuous workers' compensation insurance coverage for the period that your firm has been in the construction business.)

Prevailing Wage and Apprenticeship Compliance Record

34. Has there been more than one occasion during the last five years in which your firm was required to pay either back wages or penalties for your own firm's failure to comply with the state's prevailing wage laws?

NOTE: This question refers only to your own firm's violation of prevailing wage laws, not to violations of the prevailing wage laws by a subcontractor.

☐ Yes ☐ No

If "yes," attach a separate signed page or pages, describing the nature of each violation, identifying the name of the project, the date of its completion, the public agency for which it was constructed; the number of employees who were initially underpaid and the amount of back wages and penalties that you were required to pay.

35. During the last five years, has there been more than one occasion in which your own firm has been penalized or required to pay back wages for failure to comply with the **federal Davis-Bacon prevailing wage requirements?**

☐ Yes ☐ No

If "yes," attach a separate signed page or pages describing the nature of the violation, identifying the name of the project, the date of its completion, the public agency for which it was constructed; the number of employees who were initially underpaid, the amount of back wages you were required to pay along with the amount of any penalty paid.

36. Provide the **name, address and telephone number** of the apprenticeship program (approved by the California Apprenticeship Council) from whom you intend to request the dispatch of apprentices to your company for use on any public work project for which you are awarded a contract by *[Public Entity]*.

37. If your firm operates its own State-approved apprenticeship program:

- (a) Identify the craft or crafts in which your firm provided apprenticeship training in the past year.
- (b) State the year in which each such apprenticeship program was approved, and attach evidence of the most recent California Apprenticeship Council approval(s) of your apprenticeship program(s).
- (c) State the number of individuals who were employed by your firm as apprentices at any time during the past three years in each apprenticeship and the number of persons who, during the past three years, completed apprenticeships in each craft while employed by your firm.

38. At any time during the last five years, has your firm been found to have violated any provision of California apprenticeship laws or regulations, or the laws pertaining to use of apprentices on public works?

NOTE: You may omit reference to any incident that occurred prior to January 1, 1998, if the violation was by a subcontractor and your firm, as general contractor on a project, had no knowledge of the subcontractor's violation at the time they occurred.

☐ Yes ☐ No

If "yes," provide the date(s) of such findings, and attach copies of the Department's final decision(s).

PART III. RECENT CONSTRUCTION PROJECTS COMPLETED

39. Contractor shall provide information about its six most recently completed public works projects and its three largest completed private projects within the last three years.⁹ Names and references must be current and verifiable. Use separate sheets of paper that contain all of the following information:

Project Name: _____

Location: _____

Owner: _____

Owner Contact (name and current phone number):

Architect or Engineer: _____

Architect or Engineer Contact (name and current phone number):

Construction Manager (name and current phone number):

⁹ If you wish, you may, using the same format, also provide information about other projects that you have completed that are similar to the project(s) for which you expect to bid.

Description of Project, Scope of Work Performed:

Total Value of Construction (including change orders): _____

Original Scheduled Completion Date: _____

Time Extensions Granted (number of days): _____

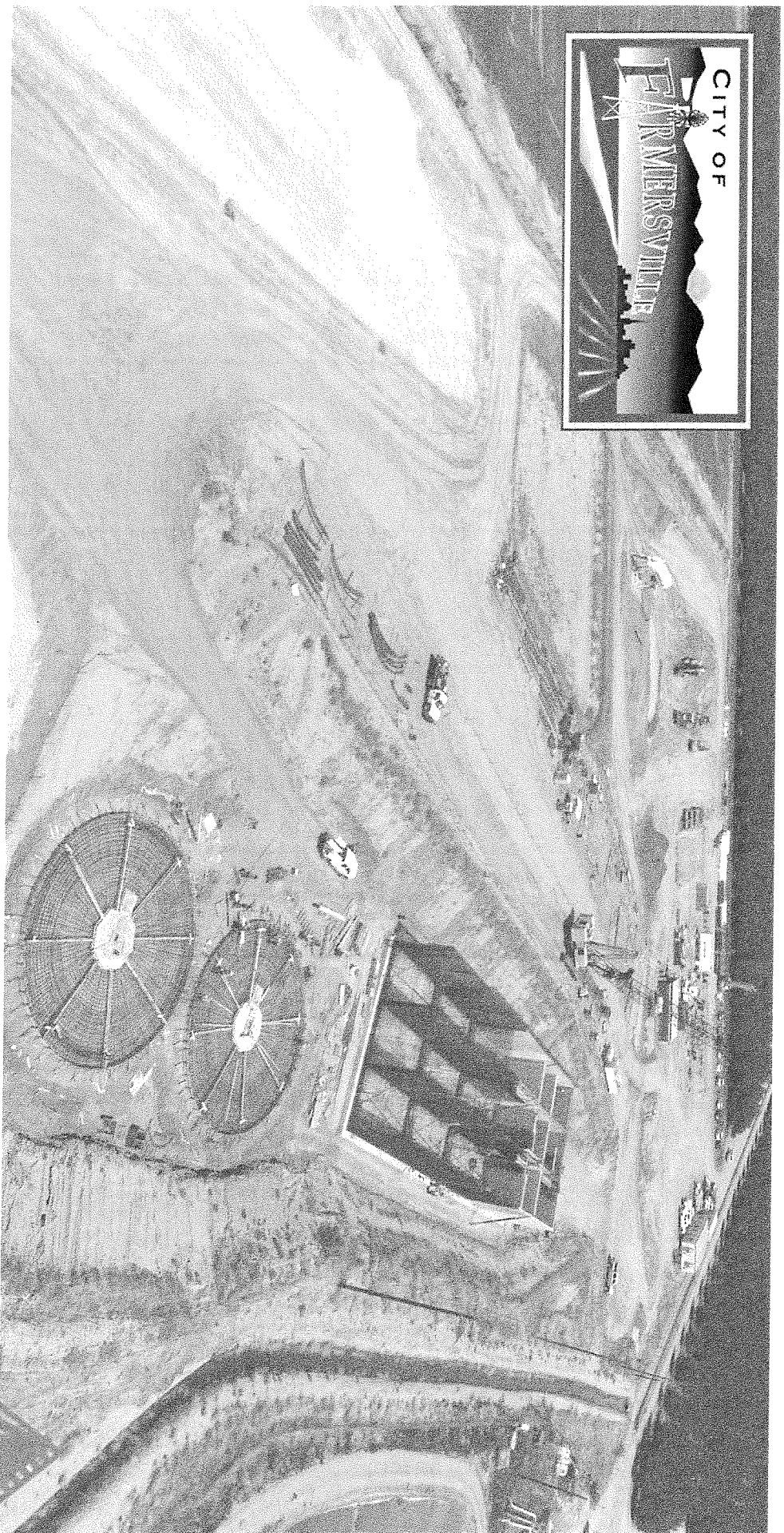
Actual Date of Completion: _____

* * * * *

I, the undersigned, certify and declare that I have read all the foregoing answers to this Pre-qualification questionnaire and know their contents. The matters stated in the questionnaire answers are true of my own knowledge and belief, except as to those matters stated on information and belief, and as to those matters I believe them to be true. I declare under penalty of perjury under the laws of the State of California, that the foregoing is correct.

Dated:

(Name)



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City of Farmersville Sewer Fund Solar Project Financing Options

January 2020

Options for WWTP Electrical Costs

- ▶ Solar Panel installation at the Wastewater Treatment Plant to offset increased electricity costs by the plant
- ▶ 2017 Quad Knopf report estimated annual WWTP electricity demand of 3.975 GWh
- ▶ Scenarios of City's options regarding WWTP electrical costs presented below and on the following pages

Scenario 1: No Solar Project

- City pays full electricity costs to SCE
- Estimated annual cost of \$557,000 to \$796,000

Scenario 2: Power Purchase Agreement

- Private company owns the project, sells energy to City at a fixed rate
- ENGIE Proposed PPA \$0.075/kWh for 28 years
- Estimated annual cost of \$373,000 to \$501,000

Scenario 3: City-Owned Solar Project

- City has multiple options for financing the project:
 1. Private loan with investor/bank
 2. Public Sale of municipal bonds
 3. CEC Loan
 4. SRF Loan/grant combination

Background and Assumptions

- ▶ Unaudited FYE 2019 Sewer Fund Cash Balance of \$5.2 million
- ▶ City targets a reserve equivalent to 25% of operating expenses
 - ▶ Current cash balance is 564% of FY 2019 operating expenses
- ▶ Major Sewer Fund Capital Projects in Process
- ▶ WWTP Expansion
 - ▶ City contribution of \$1,623,000 to happen in Calendar Year 2020
- ▶ Pipe Replacement
 - ▶ Expected cost of \$1,000,000

Key Assumptions of our Analysis

WWTP Energy Need	3.975 GWh
Solar Panel Output	2.82 GWh
Cost of Energy Purchased from SCE	\$0.14/kWh in first year; 1.5% annual increase
Solar Panel Installation Cost	\$2,983,680
Solar Panel Upkeep Costs (for Scenarios 3A-3D)	\$26,500/year in maintenance

- ▶ Estimated cash balance after current projects of \$2.6 million
- ▶ Makes major assumption that there are no budget overruns on WWTP expansion requiring additional City cash

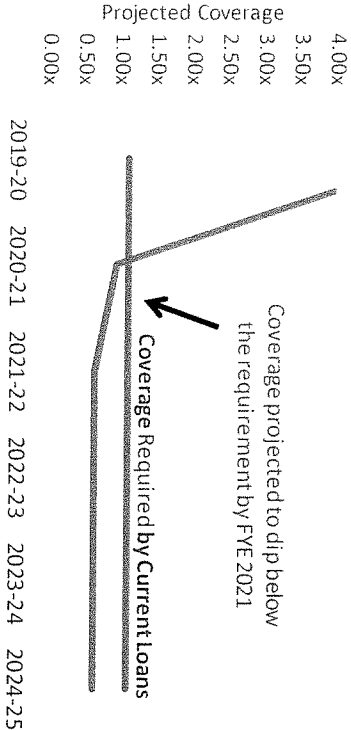
Background Information on Outstanding Loans

- ▶ Sewer Fund has SRF Loan and USDA Loan secured by a senior lien on Net System Revenues
 - ▶ USDA Loan has 1.0x debt service coverage pledge and SRF Loan has 1.10x debt service coverage pledge
- ▶ In addition, USDA and SRF loans both require the City to maintain restricted cash balances for the term of each loan
 - ▶ Approximately \$485,000 required for SRF loan and approximately \$210,000 required for USDA loan

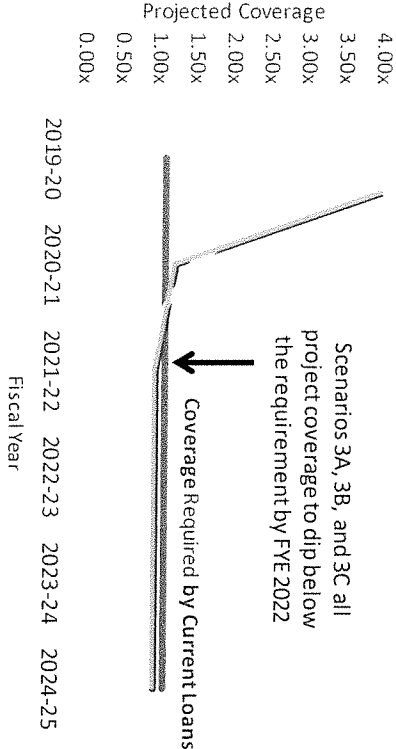
	USDA Loan	SRF Loan	Total
Original Principal	\$5,000,000	\$10,991,591	\$15,991,591
Outstanding Principal	\$4,930,000	\$10,991,591	\$15,921,591
Final Maturity	4/1/2058	6/30/2050	
Average Annual Debt Service Payment	\$207,000	\$485,000	\$692,000
Coverage Requirement	1.0x	1.10x	
Net Revenues Necessary to Comply with Debt Service Pledge	\$207,000	\$533,500	\$740,500

Summary of Options

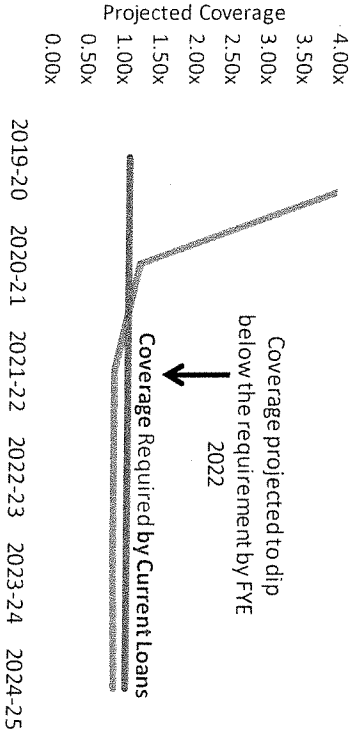
Scenario 1: No Solar Project



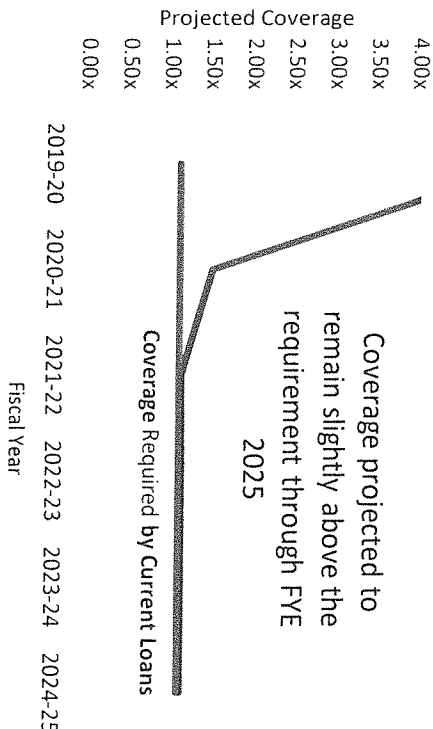
Scenario 3A-C: City-Owned Solar Project



Scenario 2: Power Purchase Agreement



Scenario 3D: City-Owned Solar Project through SRF Grant/Loan Combination



Scenario 1: Projected Operating Results No Solar Project

- Assumes 2.5% growth in revenues (in line with CPI), 5.0% growth in personnel costs, and 3.0% growth in other operating costs; Conservatively assumes no connection fee revenues
- Projection excludes capital improvement projects and non-cash expenditures
- Assumes no solar project; uses Quad Knopf's 2017 analysis for electrical cost projections
- Coverage projected to decrease below 1.1x in FYE 2021, prompting sewer rate increase

	For Fiscal Years Ended June 30										
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Gross Revenues*											
Charges for Services	\$1,275,190	\$1,535,807	\$1,834,679	\$1,965,208	\$1,981,879	\$1,973,322	\$2,022,655	\$2,073,221	\$2,125,052	\$2,178,178	\$2,232,633
Connection/Developer Fees	39,570	87,209	46,536	65,926	20,000	0	0	0	0	0	0
Investment Income	8,019	14,388	16,082	35,416	57,219	46,909	46,909	46,909	46,909	46,909	46,909
Total Gross Revenues	\$1,322,779	\$1,637,404	\$1,897,297	\$2,066,550	\$2,059,098	\$2,020,231	\$2,069,564	\$2,120,130	\$2,171,961	\$2,225,087	\$2,279,542
Operating Expenses											
Personnel costs	\$285,409	\$352,093	\$398,779	\$422,700	\$462,184	\$444,635	\$466,867	\$590,210	\$619,721	\$650,707	\$683,242
Utilities (Incl. WWTP Electrical)*	77,096	45,418	40,818	40,824	39,722	40,000	556,500	564,848	573,320	581,920	590,649
Contractual services	38,271	68,210	113,146	133,296	198,995	95,000	97,850	100,786	103,809	106,923	110,131
Franchise payments	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Operations and maintenance	155,488	175,325	207,077	256,998	218,183	381,085	392,518	404,293	416,422	428,915	441,782
Total Operating Expenses	\$568,764	\$653,546	\$772,320	\$866,318	\$931,583	\$973,220	\$1,526,234	\$1,672,637	\$1,725,772	\$1,780,965	\$1,838,304
Net Revenue Before Debt Service & Capital	\$754,015	\$983,858	\$1,124,977	\$1,200,232	\$1,127,515	\$1,047,011	\$543,330	\$447,494	\$446,189	\$444,123	\$441,238
Debt Service											
2018 USDA Loan (1.0x Covenant)	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$207,595	\$207,560	\$207,470	\$207,674	\$208,125
2018 SRF Loan (1.1x Covenant)	0	0	0	0	0	0	368,611	484,930	484,930	484,930	484,930
Total Senior Debt Service	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$576,206	\$692,490	\$692,400	\$692,604	\$693,055
Coverage	N/A	N/A	N/A	N/A	12.73x	5.34x	0.94x	0.65x	0.64x	0.64x	0.64x
Net Revenues After Senior Debt Service	754,015	983,858	1,124,977	1,200,232	1,038,959	850,783	(32,876)	(244,996)	(246,210)	(248,481)	(251,817)

*Excludes grant income and non-cash items such as depreciation and provision for bad debts

**Assumes 3,974 GWh per year usage of SCE Power; \$0.14/kWh, 1.5% annual increase; Quad Knopf 2017 Analysis

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Scenario 2: Projected Operating Results Power Purchase Agreement with Private Third Party

- ▶ Same revenue and expense projections as Scenario 1, except reflects lower cost of electricity due to PPA
- ▶ Assumes 28-year PPA pursuant to the terms laid out in ENGIE's May 2019 presentation
- ▶ Coverage projected to decrease below 1.1x in FYE 2022, prompting sewer rate increase

	Actuals				Estimated		Budgeted		Projected			
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
For Fiscal Years Ended June 30												
Gross Revenues*												
Charges for Services	\$1,275,190	\$1,535,807	\$1,834,679	\$1,965,208	\$1,981,879	\$1,973,322	\$2,022,655	\$2,073,221	\$2,125,052	\$2,178,178	\$2,232,633	
Connection/Developer Fees	39,570	87,209	46,536	65,926	20,000	0	0	0	0	0	0	
Investment Income	8,019	14,388	16,082	35,416	57,219	46,909	46,909	46,909	46,909	46,909	46,909	
Total Gross Revenues	\$1,322,779	\$1,637,404	\$1,897,297	\$2,066,550	\$2,059,098	\$2,020,231	\$2,069,564	\$2,120,130	\$2,171,961	\$2,225,087	\$2,279,542	
Operating Expenses												
Personnel costs	\$285,409	\$352,093	\$398,779	\$422,700	\$462,184	\$444,635	\$466,867	\$590,210	\$619,721	\$650,707	\$683,242	
Utilities (Incl. WWTP Electrical)**	77,096	45,418	40,818	40,824	39,722	40,000	373,054	376,421	379,881	383,433	387,080	
Contractual services	38,271	68,210	113,146	133,296	198,995	95,000	97,850	100,766	103,809	106,923	110,131	
Franchise payments	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	
Operations and maintenance	155,488	175,325	207,077	256,998	218,183	381,085	392,518	404,293	416,422	428,915	441,782	
Total Operating Expenses	\$568,764	\$653,546	\$772,320	\$866,318	\$931,583	\$973,220	\$1,342,788	\$1,484,210	\$1,532,333	\$1,582,478	\$1,634,735	
Net Revenue Before Debt Service & Capital												
	\$754,015	\$983,858	\$1,124,977	\$1,200,232	\$1,127,515	\$1,047,011	\$726,776	\$635,921	\$639,628	\$642,610	\$644,807	
Debt Service												
2018 USDA Loan (1.0x Covenant)	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$207,595	\$207,560	\$207,470	\$207,674	\$208,125	
2018 SRF Loan (1.1x Covenant)	0	0	0	0	0	0	368,611	484,930	484,930	484,930	484,930	
Total Senior Debt Service	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$576,206	\$692,490	\$692,400	\$692,604	\$693,055	
Coverage	N/A	N/A	N/A	N/A	12.73x	5.34x	1.26x	0.92x	0.92x	0.93x	0.93x	
Net Revenues After Senior Debt Service												
	754,015	983,858	1,124,977	1,200,232	1,038,959	850,783	150,570	(56,569)	(52,771)	(49,994)	(48,248)	

*Excludes grant income and non-cash items such as depreciation and provision for bad debts
 **Projection Assumes 28-year Solar PPA with ENGIE; \$0.075/kWh; balance purchased from SCE at \$0.14/kWh, growing at 1.5%

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Scenario 3: Financing Options for City-Owned Project

► Public Offering

- Longer term of 30 years means less annual debt service
- Higher costs associated with issuing and ongoing administration for the bonds
- Estimated interest rate of 3.67% resulting in \$166,000 annual debt service

► Private Placement

- Sold to one investor (typically a bank)
- Term of financing less than 20 years results in higher annual debt service
- Quicker and cheaper process, typically lower ongoing administration costs
- Estimated interest rate of 3.94% resulting in \$235,000 annual debt service for 18 years

► Alternative Options

► CEC ECAA Loan

- 20-year term at 1% interest
- \$165,342 annual debt service

► Combination Grant/Loan through SRF

- Explored the potential for a grant to cover up to 75% of the solar cost with Remaining cost financed at 25-year term, sub-2% interest rate

Scenario 3A: Projected Operating Results

City Owned Solar Project – CEC Loan

- ▶ Same revenue and expense assumptions as Scenarios 1 and 2, except that utility cost reflects the cost of additional O&M on City solar panels and the cost of purchasing additional power from SCE
- ▶ Assumes a CEC loan to finance the \$2.983M project, loan at 1% rate, 20-year repayment
 - CEC loan would be on parity with USDA and SRF loans
- ▶ City would need to raise sewer rates starting in FYE 2022 to maintain required coverage

For Fiscal Years Ended June 30	Actuals				Estimated		Budgeted		Projected				
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25		
Gross Revenues*													
Charges for Services	\$1,275,190	\$1,535,807	\$1,834,679	\$1,965,208	\$1,981,879	\$1,973,322	\$2,022,655	\$2,073,221	\$2,125,052	\$2,178,178	\$2,232,633		
Connection/Developer Fees	39,570	87,209	46,536	65,926	20,000	0	0	0	0	0	0		
Investment Income	8,019	14,388	16,082	35,416	57,219	46,909	46,909	46,909	46,909	46,909	46,909		
Total Gross Revenues	\$1,322,779	\$1,637,404	\$1,897,297	\$2,066,550	\$2,059,098	\$2,020,231	\$2,069,564	\$2,120,130	\$2,171,961	\$2,225,087	\$2,279,542		
Operating Expenses													
Personnel costs	\$285,409	\$352,093	\$398,779	\$422,700	\$462,184	\$444,635	\$466,867	\$590,210	\$619,721	\$650,707	\$683,242		
Utilities	77,096	45,418	40,818	40,824	39,722	40,000	187,080	191,498	196,002	200,594	205,275		
Contractual services	38,271	68,210	113,146	133,296	198,995	95,000	97,850	100,786	103,809	106,923	110,131		
Franchise payments	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500		
Operations and maintenance	155,488	175,325	207,077	256,998	218,183	381,085	392,518	404,293	416,422	428,915	441,782		
Total Operating Expenses	\$568,764	\$653,546	\$772,320	\$866,318	\$931,583	\$973,220	\$1,156,814	\$1,299,287	\$1,348,454	\$1,399,639	\$1,452,930		
Net Revenue Before Debt Service & Capital	\$754,015	\$983,858	\$1,124,977	\$1,200,232	\$1,127,515	\$1,047,011	\$912,750	\$820,844	\$823,507	\$825,449	\$826,611		
Senior Debt Service													
2018 USDA Loan (1.0x Covenant)	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$207,595	\$207,560	\$207,470	\$207,674	\$208,125		
2018 SRF Loan (1.1x Covenant)	0	0	0	0	0	0	368,611	484,930	484,930	484,930	484,930		
2020 1% CEC ECAA loan (Estimated)	0	0	0	0	0	0	165,342	165,342	165,342	165,342	165,000		
Total Senior Debt Service	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$741,548	\$857,832	\$857,742	\$857,946	\$858,055		
Senior Coverage	N/A	N/A	N/A	N/A	12.73x	5.34x	1.23x	0.96x	0.96x	0.96x	0.96x		
Net Revenues After Senior Debt Service	754,015	983,858	1,124,977	1,200,232	1,038,959	850,783	171,202	(36,986)	(34,235)	(32,497)	(31,443)		

*Excludes grant income and non-cash items such as depreciation and provision for bad debts

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Scenario 3B: Projected Operating Results

City Owned Solar Project – Publicly-Offered Debt

- Same revenue and expense assumptions as Scenarios 1 and 2, except that utility cost reflects the cost of additional O&M on City solar panels and the cost of purchasing additional power from SCE
- Assumes a tax-exempt bond sold to public markets to finance the \$2.983M project, estimated 3.67% rate, 25-year repayment; bond would be on parity with USDA and SRF loans
- City would need to raise sewer rates starting in FYE 2022 to maintain required coverage; realistically would need to complete a Prop 218 process before issuing bonds
- Because the term of the public debt is 25-years, the annual repayment is approximately the same as the CEC loan

	Actuals										Estimated				Budgeted		Projected			
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25									
For Fiscal Years Ended June 30																				
Gross Revenues*																				
Charges for Services	\$1,275,190	\$1,535,807	\$1,834,679	\$1,965,208	\$1,981,879	\$1,973,322	\$2,022,655	\$2,073,221	\$2,125,052	\$2,178,178	\$2,232,633									
Connection/Developer Fees	39,570	87,209	46,536	65,926	20,000	0	0	0	0	0	0									
Investment Income	8,019	14,388	16,082	35,416	57,219	46,909	46,909	46,909	46,909	46,909	46,909									
Total Gross Revenues	\$1,322,779	\$1,637,404	\$1,897,297	\$2,066,550	\$2,059,098	\$2,020,231	\$2,069,564	\$2,120,130	\$2,171,961	\$2,225,087	\$2,279,542									
Operating Expenses																				
Personnel costs	\$285,409	\$352,093	\$398,779	\$422,700	\$462,184	\$444,635	\$466,867	\$590,210	\$619,721	\$650,707	\$683,242									
Utilities	77,096	45,418	40,818	40,824	39,722	40,000	187,080	191,498	196,002	200,594	205,275									
Contractual services	38,271	68,210	113,146	133,296	198,995	95,000	97,850	100,786	103,809	106,923	110,131									
Franchise payments	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500									
Operations and maintenance	155,488	175,325	207,077	256,998	218,183	381,085	392,518	404,293	416,422	428,915	441,782									
Total Operating Expenses	\$568,764	\$653,546	\$772,320	\$866,318	\$931,583	\$973,220	\$1,156,814	\$1,299,287	\$1,348,454	\$1,399,639	\$1,452,930									
Net Revenue Before Debt Service & Capital Expenditures																				
	\$754,015	\$983,858	\$1,124,977	\$1,200,232	\$1,127,515	\$1,047,011	\$912,750	\$820,844	\$823,507	\$825,449	\$826,611									
Senior Debt Service																				
2018 USDA Loan (1.0x Covenant)	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$207,595	\$207,560	\$207,470	\$207,674	\$208,125									
2018 SRF Loan (1.1x Covenant)	0	0	0	0	0	0	368,611	484,930	484,930	484,930	484,930									
2020 Solar Project Bonds (Estimated)	0	0	0	0	0	0	180,925	183,675	181,275	183,875	181,325									
Total Senior Debt Service	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$757,131	\$876,165	\$873,675	\$876,479	\$874,380									
Senior Coverage																				
	N/A	N/A	N/A	N/A	12.73x	5.34x	1.21x	0.94x	0.94x	0.94x	0.95x									
Net Revenues After Senior Debt Service																				
	754,015	983,858	1,124,977	1,200,232	1,038,959	850,783	155,619	(55,321)	(50,168)	(51,030)	(47,768)									

*Excludes income and non-income tax as depreciation and provision for bad debts

Scenario 3C: Projected Operating Results

City Owned Solar Project – Private Placement

- ▶ Same revenue and expense assumptions as Scenarios 1 and 2, except that utility cost reflects the cost of additional O&M on City solar panels and the cost of purchasing additional power from SCE
- ▶ Those rows have been “hidden” in the table below since they are the same as Scenario 3A and 3B
- ▶ Assumes a tax-exempt bond sold to a private investor to finance the \$2.983M project, estimated 3.94% rate, 18-year repayment, bond would be subordinate to USDA and SRF loans
- ▶ City would need to raise sewer rates starting in FYE 2022 to maintain required coverage on the subordinate debt
- ▶ Projected adequate coverage on Senior (USDA and SRF) debt

For Fiscal Years Ended June 30	Actuals				Estimated		Budgeted		Projected			
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
Net Revenue Before Debt Service & Capital	\$754,015	\$983,858	\$1,124,977	\$1,200,232	\$1,127,515	\$1,047,011	\$912,750	\$820,844	\$823,507	\$825,449	\$826,611	
Senior Debt Service												
2018 USDA Loan (1.0x Covenant)	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$207,595	\$207,560	\$207,470	\$207,674	\$208,125	
2018 SRF Loan (1.1x Covenant)	0	0	0	0	0	0	368,611	484,930	484,930	484,930	484,930	
Total Senior Debt Service	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$576,206	\$692,490	\$692,400	\$692,604	\$693,055	
Senior Coverage	N/A	N/A	N/A	N/A	12.73x	5.34x	1.58x	1.19x	1.13x	1.19x	1.19x	
Net Revenues After Senior Debt Service	754,015	983,858	1,124,977	1,200,232	1,038,959	850,783	336,544	128,354	131,107	132,845	133,557	
Subordinate Debt Service												
2020 Revenue Bonds	\$0	\$0	\$0	\$0	\$0	233,024	233,950	234,400	234,675	234,775	234,700	
Cobank loan ²	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Subordinate Debt Service	\$0	\$0	\$0	\$0	\$0	\$233,024	\$233,950	\$234,400	\$234,675	\$234,775	\$234,700	
Subordinate Coverage	N/A	N/A	N/A	N/A	N/A	3.65x	1.44x	0.55x	0.56x	0.57x	0.57x	
Net Revenues After Subordinate DS	754,015	983,858	1,124,977	1,200,232	1,038,959	617,759	102,594	(106,046)	(103,568)	(101,930)	(101,143)	

Scenario 3D: Projected Operating Results

City Owned Solar Project – SRF Grant/Loan Combination

- ▶ Same revenue and expense assumptions as Scenarios 1 and 2, except that utility cost reflects the cost of additional O&M on City solar panels and the cost of purchasing additional power from SCE
- ▶ Assumes SRF grant for 75% of the project costs and a 25-year loan (1.6% interest) for the remaining 25% of project costs (approx. \$745,920)
- ▶ New SRF loan would be on parity with SRF and USDA loans
- ▶ Projected coverage of just over 1.10x requirement, no immediate need for a rate increase

For Fiscal Years Ended June 30	Actuals				Estimated		Budgeted		Projected				
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25		
Gross Revenues*													
Charges for Services	\$1,275,190	\$1,535,807	\$1,834,679	\$1,965,208	\$1,981,879	\$1,973,322	\$2,022,655	\$2,073,221	\$2,125,052	\$2,178,178	\$2,232,633		
Connection/Developer Fees	39,570	87,209	46,536	65,926	11,634	0	0	0	0	0	0		
Investment Income	8,019	14,388	16,082	35,416	70,319	46,909	46,909	46,909	46,909	46,909	46,909		
Total Gross Revenues	\$1,322,779	\$1,637,404	\$1,897,297	\$2,066,550	\$2,063,832	\$2,020,231	\$2,069,564	\$2,120,130	\$2,171,961	\$2,225,087	\$2,279,542		
Operating Expenses													
Personnel costs	\$285,409	\$352,093	\$398,779	\$422,700	\$462,184	\$444,635	\$466,867	\$590,210	\$619,721	\$650,707	\$683,242		
Utilities	77,096	45,418	40,818	40,824	39,722	40,000	187,080	191,498	196,002	200,594	205,275		
Contractual services	38,271	68,210	113,146	133,296	198,995	95,000	97,850	100,786	103,809	106,923	110,131		
Franchise payments	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500		
Operations and maintenance	155,488	175,325	207,077	256,998	218,183	381,085	392,518	404,293	416,422	428,915	441,782		
Total Operating Expenses	\$568,764	\$653,546	\$772,320	\$866,318	\$931,583	\$973,220	\$1,156,814	\$1,299,287	\$1,348,454	\$1,399,639	\$1,452,930		
Net Revenue Before Debt Service & Capital	\$754,015	\$983,858	\$1,124,977	\$1,200,232	\$1,132,249	\$1,047,011	\$912,750	\$820,844	\$823,507	\$825,449	\$826,611		
Senior Debt Service													
2018 USDA Loan (1.0x Covenant)	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$207,595	\$207,560	\$207,470	\$207,674	\$208,125		
2018 SRF loan (1.1x Covenant)	0	0	0	0	0	0	368,611	484,930	484,930	484,930	484,930		
2020 SRF loan (Estimated)	0	0	0	0	0	0	36,435	36,434	36,434	36,434	36,434		
Total Senior Debt Service	\$0	\$0	\$0	\$0	\$88,556	\$196,228	\$612,641	\$728,924	\$728,834	\$729,038	\$729,489		
Senior Coverage	N/A	N/A	N/A	N/A	12.79x	5.34x	1.49x	1.13x	1.13x	1.13x	1.13x		
Net Revenues After Senior Debt Service	754,015	983,858	1,124,977	1,200,232	1,043,693	850,783	300,109	91,920	94,674	96,411	97,123		

*Excludes grant income and non-cash items such as depreciation and provision for bad debts

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Summary

- ▶ Sewer Fund has healthy cash balance, but over half of that is already planned for capital projects
 - ▶ Fully financing a solar project with sewer fund cash would deplete the sewer fund reserves
 - ▶ City must be able to address emergency needs with sewer fund cash
- ▶ Most of the City's options for electrical needs at the WWTP would require a Proposition 218 sewer rate increase, including:
 - ▶ Continue to purchase power from SCE (i.e. no solar project)
 - ▶ Formalize a power purchase agreement;
 - ▶ Finance the project using a CEC loan, a public offering of municipal bonds, or a private loan with a bank

However, financing the solar panels with a combination 75% SRF grant and 25% SRF loan is projected to result in sufficient projected coverage through FYE 2025, avoiding the need for a rate increase

Alternative consideration – using City cash for \$1.5M of the project costs could make a private loan a viable alternative; **this would leave Sewer Fund with less than \$1M cash remaining and is not recommended**